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America Joins the Rush To Make Loans to China

Hoping to Lock In Large Contracts, Washington Copies Japan and Europe

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — In another bid to improve its global competitiveness, the United States has streamlined its export loan practices to match other big exporting nations in hopes of landing lucrative overseas contracts for American companies.

The strategy is one of several effected by President Bill Clinton aimed at creating jobs in the United States through enhanced U.S. exports.

Nowhere is the rush to gain those job-creating contracts more apparent than in China, where the head of the Export-Import Bank of the United States is currently on tour, touting the agency's ability to compete with financing packages offered by the Japanese and Europeans.

The United States does not want to be left flat-footed, as it has in the past on some infrastructure and construction contracts in Asia.

In the last three years, many senior foreign officials have landed in Beijing with guarantees of increased financial backing for projects involving leading industrial companies from their countries. French, German, Italian and Japanese companies have benefited.

Kenneth D. Brody, a former Goldman, Sachs & Co. investment banker who now heads the U.S. Ex-Im Bank, as it is known, has joined the parade. He said Thursday in Beijing, as he began a six-day tour, that China could become the bank's largest single recipient of low-cost loans.

In effect, China is the magnet for a fierce global competition for exports, and the United States must expand its loan programs in China to stay abreast, analysts say. He wants the United States to "get in on the ground floor in establishing good relations as major changes occur in China," he said. "We have no limits on the amounts that we will lend to China."

Last year, he said, the bank backed \$1.3 billion in U.S. exports to China, making it the largest single recipient in Asia.

Mr. Brody's tour, which includes talks with Chinese development and banking officials in Beijing, Shanghai and Guangzhou, comes immediately after a visit to



The family of a victim of the bus bombing during a service Thursday at a cemetery in Holon, a Tel Aviv suburb.

West Bank And Gaza Are Cut Off Indefinitely

PLO Cites Act of 'War' As the Israelis Move to Sever Economic Links

Compiled by Our Staff From Dispatches

TEL AVIV — The Israeli cabinet approved the indefinite closure of the West Bank and Gaza Strip on Thursday as part of a crackdown on Islamic militants after a bus bombing that killed at least 21 people.

Prime Minister Yitzhak Rabin said, "To the kidnappers, gunmen and bombers: Israeli soldiers and security forces will get you sooner or later, and your fate will be a bitter one."

"No enemy will defeat us," he said at an annual memorial ceremony honoring dead soldiers of the Israeli Army's Armored Corps. "Just as we won all the wars against all enemies, we will achieve our aims — peace and security."

Acting to prevent more atrocities like the bombing Wednesday in downtown Tel Aviv, Mr. Rabin won cabinet backing to close off the territories indefinitely in what officials called a strategic move to separate their economies from Israel.

A spokesman for Yasser Arafat, the leader of the Palestine Liberation Organization, said the move constituted "economic and social war" against Palestinians.

Mr. Rabin called for a "clear border" between Israelis and Palestinians.

Cabinet ministers also decided to extend the powers of the security services, but details were kept secret.

Ministers gave no hint that the government was discussing widespread arrests or expulsions of members of the Islamic militant group Hamas.

Mr. Rabin deported 415 people suspected of being Hamas members to Lebanon after attacks in 1992.

The Gaza and West Bank closures will keep 65,000 Palestinians from jobs in Israel, mainly in construction and agriculture. The government approved a measure to bring in 15,000 foreign workers to take the place of Palestinians.

The cabinet decisions will also prevent Palestinians from visiting religious sites in Israel without a permit.

A spokesman for Mr. Arafat, Marwan Kanafani, said the Palestinian autonomy government considered the closure "collective punishment" against innocent people and warned that it could slow the peace process.

"I see in these resolutions adopted by the Israeli cabinet today a declaration of war, an economic and social war against the Palestinian society that will negatively affect the whole process," he said.

Israel has tried to avoid inflammatory measures since signing a peace accord with the PLO in September 1993. Through the agreement, the Gaza Strip and the West

UN Agency Doubtful on North Korea Deal

By Barry James
International Herald Tribune

The director of the International Atomic Energy Agency expressed skepticism Thursday about the U.S.-North Korean nuclear agreement, saying it could delay inspections by the agency.

Officials at the agency, some U.S. Republican senators, and politicians in South Korea criticized the accord, saying they feared Pyongyang had bought itself a further five years of secrecy, thus concealing whether it has reprocessed enough plutonium to build one or more nuclear weapons.

The energy agency says it needs to inspect two nuclear waste dumps to be able to answer the question. North Korea has never conceded the existence of the dumps.

"It would be in the interests of all concerned that a prolonged delay be avoided," said the agency director, Hans Blix. But he added, "We are better off" with the agreement than with none at all.

"We have to worry about how much have they squirreled away," an agency official said. "Blix thinks five years is a long time to have to wait for our inspectors to gain access to the facilities we need to see, including the two facilities the North Koreans have never declared."

Under the agreement reached earlier this week, North Korea agreed to place in storage the fuel it removed last spring from a five-megawatt graphite reactor containing enough plutonium for four or five nuclear bombs.

U.S. Republican senators protested in a letter to President Bill Clinton that this reversed long-standing U.S. policy because it allowed the North Koreans to hang on to their spent fuel rods and would delay for

After Winning a Bit More Respect Abroad, Clinton Turns to GATT

By Joseph Fitchett
International Herald Tribune

PARIS — Washington's foreign-policy successes, notably against Iraq and North Korea, have created a glimmer of new respect among other governments hoping to see more effective international leadership from President Bill Clinton.

Foreboding a further rise in the administration's international stock, American officials predicted Thursday that Mr. Clinton would deliver U.S. ratification of the trade-liberalizing General Agreement on Tariffs and Trade accord late this year by calling Congress back into session after the November elections.

The mood of wanting Washington to be stronger — which could seem strange at a juncture when Europe, Russia and some Asian nations are claiming larger roles — reflects these countries' continued dependence on U.S. initiative, American diplomats say.

European officials were therefore reassured that recent U.S. diplomacy had shown greater steadiness and unexpected staying power — in contrast to the image that Mr. Clinton had acquired as a leader who ignored foreign policy most of the time and then stumbled in crises.

Typical of this more purposeful diplomacy, the deal with North Korea, scheduled to be signed Friday and promising to curb the risk of the spread of nuclear weapons, relieves a pressing concern for Japan, Russia and even the European allies.

Mr. Clinton has been involved personally. American officials say, in the changeover in Haiti, the peacemaking in Northern Ireland, Israel's treaties with its Arab neighbors and, with less success, Bosnia.

"It looks like the world has finally caught his attention and forced him to show his mettle," according to a British official impressed by the administration's handling of Iraq. The official said the Clinton team's military response and diplomatic agility "has left Saddam Hussein in a much worse position now than he was before he triggered the crisis."

A French official said Mr. Clinton might start

Kiosk

U.S. Gulf Buildup Cut as Crisis Eases

WASHINGTON (Reuters) — United States defense officials said Thursday that the Iraq crisis had eased and that 19,000 Marines, 6 B-52 bombers and 12 F-147 Stealth fighter planes would therefore not be sent to the Gulf.

Because the threat had "ameliorated somewhat," Lieutenant General Howell Estes said, "the vast preponderance of the forces we were going to deploy are going to be taken off of alert and will not deploy."

He said the U.S. buildup would stop at about 13,000 ground troops, 274 planes and one aircraft carrier battle group.

The United States at one point planned to send 40,000 ground troops and 600 planes to the Gulf, and a total 155,000 troops were on alert to go.

Book Review Page 7.
Bridge Page 7.
Crossword Page 19.
Weather Page 20.



A HARD LEFT AND RIGHT — Italian legislators from both political persuasions mixing it up Thursday. Page 2.

Dollar Falls to 2-Year Low As Bentsen Rattles Market

Compiled by Our Staff From Dispatches

NEW YORK — The dollar tumbled to a two-year low against most major currencies on Thursday after Lloyd Bentsen, the U.S. treasury secretary, said the United States had no plans to buy dollars to stem its recent slide.

"Market forces will decide" the level of the dollar and other currencies, Mr. Bentsen said. "We have no plans to intervene."

Mr. Bentsen also said that the United States was not using the dollar as a trade weapon.

His comments prompted speculation that the Clinton administration was not concerned about the dollar's weakness. Many traders had been expecting the Federal Reserve Board to buy dollars if the decline this week turned into a free-fall. The Federal Reserve acts as the Treasury's agent in the foreign-exchange market.

The dollar tumbled to 1.4927 Deutsche marks from 1.5015 DM on Wednesday and to 97.050 yen from 97.325 yen. The dollar also fell to 1.2385 Swiss francs from 1.2455 francs and to 5.1185 French francs from 5.1480 francs.

The pound rallied to \$1.6315 from \$1.6226.

Earlier in Leipzig, Germany, the Bundesbank president, Hans Tietmeyer, said he hoped that the dollar would remain a strong currency and asserted that the mark would remain so.

Mr. Bentsen's comments fueled a decline in the dollar that started after two reports showing strong economic growth spurred concern about inflation and sent Treasury bond prices lower. Inflation erodes the value of fixed-interest investments.

Bonds fell, pulling the dollar lower, after the Commerce Department said housing starts rose 4.4 percent in September.

The Philadelphia Federal Reserve's index of economic activity in the region more than doubled to 33.2 in October from 14.8 in September, while the index for prices paid by businesses rose to 53.6 from 40.4 last month, the highest reading since February 1989.

(Bloomberg, Reuters)

Dow Jones	Trib Index
Down 24.88	Up 0.29%
3011.15	117.32

The Dollar	Thurs. close	previous close
DM	1.4927	1.5015
Pound	1.6315	1.6226
Yen	97.05	97.325
FF	5.1185	5.148

Question Time: How Much Scandal Can Tories Take?

By Fred Barbash
Washington Post Service

LONDON — Last year, it was sex. This year, it's money.

Prime Minister John Major, already tested by a series of scandals in his Conservative Party, confronted yet another.

Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L	Fr.
Antilles	11.20 FF	Morocco	12 Dh	
Caribbean	1.00 CFA	Qatar	8.00 Riels	
Egypt	5.00 P	Réunion	11.20 FF	
France	9.00 FF	Saudi Arabia	3.00 R.	
Germany	5.00 CFA	Senegal	60 CFA	
Greece	300 Dr.	Spain	200 PTAS	
Italy	2,000 Lire	Tunisia	1,000 Din	
Japan	320 CFA	Turkey	7 L.	
Jordan	1 JD	U.A.E.	8.50 Dirh	
Lebanon	1,000 L	U.S. Mil.	(Eur.) \$1.10	

It was the second controversy of the past three months involving "cash for questions," payments to Conservative members of Parliament for raising helpful subjects during Parliament's question period. A broader debate is raging over the fact that many members of Parliament — the

A Big Engine That Couldn't

Reuters

LONDON — A sleek new train designed to speed passengers through the Channel Tunnel broke down before the start of a media trip to Paris on Thursday, to the embarrassment of the tunnel operators.

An electrical fault torpedoed the fanfare departure from Waterloo Station in London of the £24 million (\$39 million) Eurostar train, with 400 reporters and travel agents from around the world on board.

A replacement train finally left an hour late. But railway managers tried to put the best gloss on the fiasco by making up for lost time. The actual journey took 2 hours 50 minutes, the fastest-ever crossing, and the train reached 300 kilometers (190 miles) an hour as it sped through the French countryside.

The train service has been billed as the fastest link between the centers of London and Paris. Newspapers had set up special races with reporters crossing the Channel by plane and ferry to see if they could beat the train.

The media trip was a prelude to the scheduled start of passenger train service on Nov. 14.

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THE AMERICAS / A REPUBLICAN ARCHITECT

Gingrich Relishes His Role as the Democratic Party's Public Enemy No. 1

By Dan Balz
Washington Post Service

NEW LONDON, Connecticut — It is a brilliant fall morning, and the House minority whip, Newt Gingrich of Georgia, has come to Connecticut to raise money for another Republican candidate for Congress. He has been in more than 100 districts over the last two years with several dozen more to come, pressing his case for a Republican takeover of the House, and his radar is locked on the target. A reporter begins to ask a question. "If you are elected and become majority leader..." he starts, but before he can finish, Mr. Gingrich interrupts. "Actually, speaker, Mr. Gingrich says, 'Army would be majority leader. I'd be speaker.' Richard K. Arney is a Texas Republican.

"I think I am a transformational figure," he said over coffee earlier in the day. "I think I am trying to effect a change so large that the people who would be hurt by the change — the liberal, Democratic machine — have a natural reaction, which gets wearying sometimes."

Almost as much as disaffection with the Clinton presidency, Mr. Gingrich has come to symbolize what these midterm elections are about. He is the architect of a Republican strategy aimed at toppling Democrats from control of the House.

Mr. Gingrich, whose confrontational style brought cries of obstructionism from the White House this year, is under fire now for playing host at a meeting with lobbyists in which he described President Bill Clinton as the "enemy of normal Americans" and threatened to shut down Mr. Clinton's presidency by initiating a series of ethics investigations if Republicans take over the House.

He has also been criticized for putting enormous pressure on corporate and trade association political action committees to stop giving money to Democratic incumbents and channel it to Republican challengers.

The House Republicans' 10-point "Contract with America," an extravaganza on the Capitol steps orchestrated by Mr. Gingrich, has become the target of attacks by Mr. Clinton and Democratic congressional candidates, who say it would return the country to the trickle-down economics of the 1980s and either enlarge the deficit or force cuts in Social Security and Medicare.

Energized Democrats claim Mr. Gingrich's tactics are an unexpected gift that could allow them to blunt the Republican offensive. "He's determined to gain control at all costs, and I think that's what the problem is," said Tony Coelho, senior adviser to the Democratic Party.

The Democratic attacks on the Republican contract only bring a smile. "It's great," the husky, gray-haired conservative said with a tone of self-satisfaction. "The contract is working perfectly. It is nationalizing the elections in a manner which I'm shocked to see the Democrats fall into."

Mr. Gingrich is at once theoretician, strategist, antagonist, self-promoter and bad boy. With the retirement of the House minority leader, Robert H. Michel of Illinois, Mr. Gingrich is in line for the top House Republican leadership post in January.

If the November elections produce the landslide Republicans predict, he would become the first Republican speaker since Joseph W. Martin Jr. in 1953-55.

Mr. Gingrich and his advisers are already planning the transition. Democrats are preparing for the worst, even if they still control the House. "Where Bob Michel was respected, Newt they loathe," said one Democrat.

"I clearly fascinate them," Mr. Gingrich said of the Democrats. "I'm much more intense, much more persistent, much more willing to take risks to get it done. Since they think it is their job to run the plantation, it shocks them that I'm actually willing to lead the slave rebellion."

A White House senior adviser, George Stephanopoulos, sees Mr. Gingrich as driven mostly by "an absolute ambition for power."

Representative Mike Synar, Democrat of Oklahoma, who was defeated in his primary, called Mr. Gingrich a "control freak" with no compass or principles.

Mr. Gingrich speaks in language rich in military

metaphors, historical analogies and cyber-age phrases plucked from the works of futurists like Alvin Toffler.

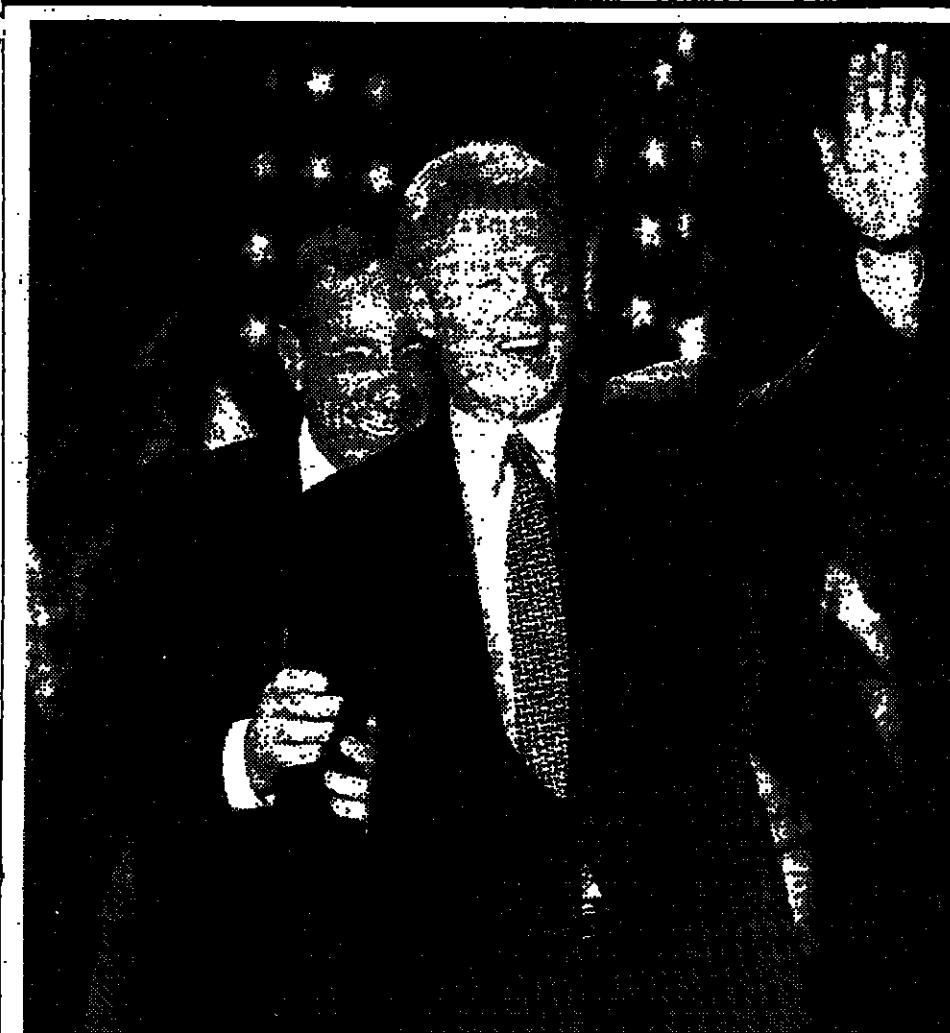
His stump speech offers a lecture on five megatrends sweeping the globe that will help to demolish the existing liberal power structure.

The five megatrends are the coming of the information age; the development of a world market; the gradual demise of the welfare state; and the arrival of an opportunity society; the emergence of citizen politicians to replace the professional class now in power; and what he describes as his belief in the eventual triumph of "American exceptionalism" over counterculture values. His shorthand on that clash is Forrest Gump versus Bill Clinton.

His shorthand on that clash is Forrest Gump versus Bill Clinton.

Critics dismiss much of this philosophizing as just so much intellectual pretension, but Mr. Gingrich said the real problem was that his ideas give Democrats the willies.

"If you're them, I've just described a horrifying and inconceivable future," he said. "So how could you ever really trust and work with a guy who has those weird ideas?"



President Clinton, at a fund-raising event for Governor Mario Cuomo of New York.

Speaking From the Heart on Crime

LOS ANGELES — As sound bites from campaign debates go, it was not in the same league with Lloyd Bentsen's withering riposte that Dan Quayle was "no Jack Kennedy."

Nevertheless, California's Democratic gubernatorial candidate, Kathleen Brown, delivered a debate sound bite to remember — and one that is now the subject of hot debate. Midway through a televised face-off with Governor Pete Wilson last Friday, she demanded that he stop questioning her commitment to being tough on criminals and then delivered an emotional, personal revelation about crime.

"You cannot possibly imagine what it's like to be a woman at night, worrying about your safety," she told the governor. "And you cannot imagine what it's like to be a mother, waiting at home late at night for your kids to come home — waiting for your daughter to come home in the evening and having her come home and comfort her because she's been raped. Or your son, who calls coming home from school, when I'm working, to say, 'Come home because I've been robbed and I've been mugged.'"

The governor, a moderate Republican who has made the crime issue a mainstay of his re-election campaign and has frequently questioned the "courage" of his more liberal Democratic opponent to confront the issue, seemed caught off guard by Ms. Brown's emotional revelation.

But Mr. Wilson quickly recovered, apparently sensing that although he had been pummeled a bit, there might still be opportunity at hand. "A moving performance," he said sarcastically when she had finished.

Since then, the debate over Ms. Brown's remarks has centered not just on whether she stung the governor politically but also on whether she calculatedly went after the crucial women's vote with some blatant political grandstanding that risked exposing a daughter to unwanted publicity.

"Whatever Kathleen Brown actually planned or

POLITICAL NOTES

intended," said Sherry Behitch Jeffe, a political scientist at the Claremont Graduate School who specializes in California elections, "the reality is that the motive behind this rather striking moment in a debate has become at least as much of an issue, if not more of an issue, than the message she was trying to deliver."

Ms. Brown contended later at a news conference that she "spoke from the heart." She also said that her daughter was "totally supportive" of the disclosure.

But in no way, Ms. Brown insisted, did she intend for her mention of the rape and the robbery to become a bombshell. (NYT)

Candidates Unfazed by Bad Press

WASHINGTON — One candidate is portrayed by the media as an untrustworthy figure who lied to Congress about Iran-contra and still refuses to come clean. Another is depicted as a former crack user and womanizer whose mayoralty collapsed amid incompetence and corruption. A third is ridiculed by reporters as an empty suit with a wacky wife, using his personal fortune to buy a Senate seat.

Yet this avalanche of negative publicity has not stopped Oliver L. North, Marion S. Barry or Representative Michael Huffington, Republican of California, from winning their respective nominations and looking strong in recent polls. They are among a select group of 1994 challengers who have been virtually impervious to the kind of press assaults that once would have left a politician bruised and battered.

"The media used to draw blood and the candidate would bleed," said Jay Severin, a Republican political consultant. "Now the media do everything they used to and it doesn't wound as much. Voters tend to see attacks by the media as having exactly the credibility of opponents' attacks: It's all politics."

Mr. North, the Republican Senate nominee in Virginia, casts himself as a conservative patriot

taking on the liberal establishment. Mr. Barry, the District of Columbia's Democratic mayoral nominee, is a symbol of black pride challenging the white power structure.

Mr. Huffington, the millionaire trying to unseat Senator Dianne Feinstein, Democrat of California, is the self-financed candidate running against entrenched special interests.

All began as underdogs, and all are in a position to win. (Howard Kurtz, WP)

Basketball as a Campaign Issue

WASHINGTON — As if there were a shortage of national campaign issues, the Senate race in Wisconsin has taken a bizarre swerve into the politics of professional basketball.

The incumbent senator, Herb Kohl, a Democrat, is also the millionaire owner of the Milwaukee Bucks of the National Basketball Association. His opponent, Bob Welch, a Republican state representative who is far behind in both money and polls, began running a television spot earlier this month making an issue of Mr. Kohl's negotiations with a star player, Glenn Robinson, who has been holding out while seeking a contract reportedly worth \$100 million.

The point of Mr. Welch's ad seemed to be that if Mr. Kohl was willing to spend that much on a basketball player, he would also play fast and loose with taxpayers' money. If that was the idea, it backfired. Mr. Kohl has refused to agree to such a large contract and has been winning applause on the campaign trail when he talks about it. (LAT)

Quote/Unquote

President Bill Clinton at a fund-raising event for Governor Mario Cuomo of New York, who is involved in a tight race for re-election: "I watched him tonight, and I was thinking: Why is this a race? Why is it even close?" (WP)

Judge Restricts Media's Coverage in Selection of Simpson Jury

The Associated Press

LOS ANGELES — The judge in the O. J. Simpson trial on Thursday barred the media from part of jury selection, citing concern over intensive coverage of the case.

The order by Judge Lance A. Ito of Superior Court pertains to individual questioning of potential jurors over whether the barrage of publicity has affected their ability to be impartial. The judge has been particularly concerned about a book published this

week that he says threatens Mr. Simpson's right to a fair trial.

A court spokeswoman, Jerianne Hayslett, said that general questioning, known as voir dire, would be open beginning Oct. 26.

"His ruling only applies to the media portion of voir dire," she said. Attorneys for media organizations were studying the ruling before deciding whether to file an appeal.

In issuing his ruling, Judge Ito said extreme measures were required. "This

is a situation where this case has received international coverage," he said.

Mr. Simpson, 47, the former football star and television personality, faces two counts of murder in connection with the June 12 slayings of his former wife, Nicole Brown Simpson, and her friend Ronald Goldman.

The motion to close jury selection was made by both the defense and the prosecution at the urging of the judge, who has long expressed frustration

about the amount and nature of the media coverage.

The ruling came a day after two media organizations turned down a request by Judge Ito that they postpone plans to interview the co-author of a new book about Ms. Simpson.

Written by Faye Resnick, a friend of Ms. Simpson's, the book alleges that Mr. Simpson stalked his former wife and threatened to kill her.

Judge Ito, who planned to question prospective jurors about the book,

cited concerns that they would not be candid if faced with scrutiny of their answers.

Kelli Sager, representing several news media organizations, argued that closing the proceedings not only violated the First Amendment, but also would probably not address concerns of jury contamination or juror candor.

Before Thursday, jury selection had been halted for two days because of the release of the Resnick book.

Children Born Abroad Benefit From New Rule

By Robert C. Siner
International Herald Tribune

WASHINGTON — Just before going home for the November elections, Congress adopted a new naturalization rule that should make it easier for some children born abroad to become American citizens.

The new rule, which takes effect on March 1, will apply to foreign children adopted by Americans living abroad. It will also apply to certain children born overseas to an American citizen married to a noncitizen, who cannot become U.S. citizens because their American-citizen parent had not lived in the United States for at least five years before the birth of the child.

Overseas citizens' groups say thousands of children have been denied U.S. citizenship because of this residence requirement.

Under the new procedure, American parents will be able to apply from abroad to have their children naturalized and formalize the naturalization during a single, short visit to the United States. Current procedures require that the application be submitted in the United States and that the applicants live in the United States until

the naturalization process is completed, which can take weeks or months.

The new rule applies to children under age 18.

Another provision passed by Congress grants former U.S. citizens born abroad between 1934 and 1952 the opportunity to regain the citizenship they may have lost as young adults through failure to reside in the United States under a law that has since been abolished.

Trust Lawyer Questioned Harriman Estate Deals

By Sharon Walsh
Washington Post Service

WASHINGTON — A prominent New York trust lawyer declined last year to become a trustee for the estate of the financier W. Averell Harriman, saying he would have a duty to sue previous trustees because of their poor handling of the estate, according to a letter he sent to the heirs.

Henry S. Ziegler, former head of the trust department at Shearman & Sterling in New York, was asked by the Harriman heirs to serve as a trustee following the resignation of Clark M. Clifford and Paul C. Warnke, the Washington law-

yers who had served as trustees since Mr. Harriman's death in 1986.

But in October of last year, nearly a year before the Harriman heirs sued Mr. Clifford, Mr. Warnke and the U.S. ambassador to France, Pamela Churchill Harriman, accusing them of losing millions in foolish investments, Mr. Ziegler wrote a letter outlining his reasons for turning the job down.

Mr. Ziegler, a past regent of the American College of Trust and Estate Counsel, wrote that after months of analyzing the investments made by the trustees, he was concerned about the "serious legal issues arising out

of the investments by the prior trustees, as well as other partners," according to a source who has seen the letter.

Mr. Clifford and Mr. Warnke were trustees of the Harriman funds, while Pamela Harriman was a general partner of the funds. William Rich 3d, who headed the New York office that managed the Harriman money, was also a trustee for a brief period.

The heirs have sued the former trustees, as well as other former lawyers and managers, for fraud and malfeasance, saying they mismanaged the trust and lost millions of dollars in investments.

Mr. Ziegler, who is still a counsel at Shearman & Sterling but is preparing to retire, declined to comment on the letter.

Mr. Clifford and other lawyers involved in the case have said that the Harriman descendants, in particular the Harriman grandchildren, wanted more and more money from the trust and sued the trustees because they had never been happy about the fact that Averell Harriman had married Pamela Digby Churchill Hayward when he was nearly 80 and she was 51. Mr. Harriman left most of his \$65 million estate to his widow.

UN Insists GIs Disarm Haitian Gunmen

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — U.N. officials have warned the United States that it must thoroughly disarm paramilitary gunmen opposed to the military government of Haiti before United Nations peacekeepers can replace U.S. troops there, UN and American officials said.

The Security Council has authorized up to 6,000 troops for Haitian duty once U.S. forces have established a stable environment there — a key condition if the Clinton administration is to hold to plans calling for withdrawal of most of the 19,000 American soldiers in Haiti within months.

But UN officials say they are concerned that U.S. military efforts to search out and confiscate the weapons of armed civilians still loyal to the corrupt former military regime may not be extensive enough.

"We would like to see a much more massive disarmament," a senior UN official said. He added

that the caution U.S. troops had shown in pursuing such gunmen, known as *attachés*, was "absolutely disquieting."

The situation has stirred a powerful sense of déjà vu in U.S. and UN officials, reminding both parties of the dispute over disarmament of militia groups in Somalia. The UN secretary-general, Boutros Boutros Ghali, irritated Washington by insisting publicly that U.S. troops should seize the heavy weapons of warring clans in Mogadishu before the United Nations assumed command of the operation.

U.S. forces did launch raids on Somali weapons caches, but when UN forces took over, they found themselves locked in almost continuous battle with the well-armed forces of the clan leader Mohammed Farrah Aidid. Many officials here and in Washington say they wonder now if a disarmament campaign there was ever realistic.

But UN officials contend that suppressing the weapons

threat in Haiti remains important because — unlike the Somali operation — this time the UN contingent will not have a Security Council mandate to use force aggressively, only in self-defense. "Our people won't have the capability to put down disorder," one high-level official said.

U.S. officials say they are not opposed to a broad disarmament campaign but argue it is more important for Haiti's president, the Reverend Jean-Bertrand Aristide, to take measures to encourage political reconciliation. They contend that it will not matter if there are some illicit weapons and unregenerate gunmen about if most Haitians — even those who oppose and fear Father Aristide — feel they are safe.

U.S. forces have announced a program under which Haitians receive payment for turning in weapons, and troops have taken control of an army heavy-weapon unit in Port-au-Prince. But the Americans have not been

searching systematically for guns in possession of the *attachés*, who have largely gone underground with their handguns and rifles.

Father Aristide encouraged Haitians to turn *attachés* over to the U.S. military rather than beating or lynching them. But a U.S. military spokesman in Port-au-Prince, Colonel Barry Willey, has acknowledged that U.S. troops have been turning suspects over to the Haitian police, who in turn have been letting most of them go.

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Away From Politics

● Floodwaters apparently ruptured a pipeline east of Houston, sending pools of burning gasoline down the San Jacinto River and setting fire to homes and boats on the banks. Eight people were treated for minor burns.

● A New York jury has ordered Coca-Cola to pay \$550,000 in damages to a man who became ill in 1989 after drinking a bottle of Coke that had two transistor batteries inside.

● Federal regulators fined the operator of a nuclear power plant \$100,000 because someone at the northwestern Illinois plant slipped a radioactive disk into a worker's pants. The worker received a dose of radiation that was about half the annual limit set by the government for nuclear power workers.

● An explosion ripped through an oil refinery in Torrance, California, injuring 30 workers, including some who were trapped on scaffolding by their safety belts.

● Americans are giving less to charity. A study by Independent Sector, an organization that does research on volunteerism, said 3.4 percent fewer Americans volunteered in 1993 than in 1991, and Americans are giving about \$19 less per household to charitable causes than in previous years.

AP, WP, NYT, AP

Van Cleef & Arpels

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HELL HAS COME TO PARADISE

The nightmare of anarchy and bloodshed in the African nation of Rwanda defies description. The hearts of everyone at the African Wildlife Foundation go out to the people of Rwanda.

Our hearts also go out to the mountain gorillas, popularized in the film "Gorillas in the Mist" who live in the Parc Des Volcans in Rwanda. Understandably, many of the park rangers who guard this endangered species fled during the fighting. Others bravely remained at their post through most of the civil war, monitoring the gorillas' whereabouts and well-being. It is imperative for the gorillas' safety that these rangers and park rangers receive the food and basic equipment they need in order to return to the park and set up regular patrols to protect the gorillas.

That's why the African Wildlife Foundation has established the Mountain Gorilla Emergency Fund. Our goal is to raise \$25,000 to re-equip the rangers, and provide park personnel with food and equipment and money to live on for the next six months.

Please send a donation to the Mountain Gorilla Emergency Fund c/o African Wildlife Foundation, 717 Massachusetts Avenue, N.W., Suite 602, Washington, D.C. 20036, or call (202) 265-8383 for more information. Together, we can ensure the survival of one of Earth's true wildlife wonders — the magnificent mountain gorillas of Rwanda!

Herald Tribune

Published With The New York Times and The Washington Post

Delaying the Test Ban

More than 30 years after the United States, the Soviet Union and Britain signed a Limited Test Ban Treaty halting nuclear tests in the atmosphere, they are finally getting around to negotiating a comprehensive test ban, barring tests altogether. But they and other nuclear-armed states seem to be looking for ways to limit the new treaty's comprehensiveness. That, in turn, is delaying a final draft.

Delay is precisely what Britain and France want. Both want to keep testing, and both hope that if negotiations drag on long enough, other states will lose interest. One of their delaying tactics has been to press for an exemption for so-called hydronuclear explosions that stop just short of a big bang. Although both countries argue otherwise, hydronuclear blasts are not needed to assure that warheads are safe and reliable; simulations using high explosives will suffice.

China, which has said it will accept a ban in 1996, is stalling while it completes a few more tests. It also seeks a loophole in the treaty permitting "peaceful" nuclear explosions. Washington and Moscow toyed for many years with the idea of using nuclear blasts to cut canals and

tunnels through mountains, but all that ever came of it was India's attempt to pass off its 1974 warhead test as a peaceful nuclear explosion. In short, it became a pathway to proliferation.

The United States itself has proposed one of the most pernicious limits on the treaty. Washington would allow states to withdraw from the treaty after 10 years without even citing supreme national interests, as is customary. No reason would be needed, just 180 days' notice. Giving states so easy an out could effectively kill the treaty after 10 years.

The responsibility for energizing the negotiations and pointing them toward a truly total ban rests with the United States and Russia. They should stipulate that when the treaty says no tests, that means no hydronuclear tests and no "peaceful" explosions.

One way to accommodate the laggards, China and France, would be to delay full enforcement of the treaty until 1996, giving them time to complete a few more tests. But a treaty should be ready for signing by next spring. That will require more energetic efforts by Washington.

—THE NEW YORK TIMES

The Youngest Offenders

Thirty years ago, the juvenile courts of America were concerned with offenders who ranged from truants to neighborhood thieves and occasionally included an armed robber or a killer. Over the decades, offenses committed by youngsters grew more serious, and juvenile courts now regularly deal with drug cases and vicious multiple murderers. Just about every crime that turns up in criminal court, except sophisticated white-collar schemes, is now seen in courts where all the offenders are under 16. The most troubling new development in this area is that those being charged are no longer just hardened teenagers. Some are so young that the juvenile justice system hardly knows how to deal with them.

Saturday's newspaper provided two horrifying examples. In Hopewell, Virginia, brothers aged 10 and 11 were found "not innocent" — a juvenile court term used to avoid the harsh "guilty" — of dousing a 3-year-old with gasoline and setting him on fire. The victim, burned over 85 percent of his body, survived. The 11-year-old assailant is in custody pending sentencing, but the 10-year-old, too young for confinement, was sent home.

In Chicago, another pair of boys 10 and 11 were charged with murder after pushing a 5-year-old out a 14th-story window in a public housing project. The victim and his brother had refused to steal for the older boys, both of whom

already have criminal records that include weapons charges and theft of valuables worth more than \$300.

Traditionally, juvenile judges try to leave offenders at home and supply the kind of supervision and encouragement that will lead to rehabilitation. When youngsters are dangerous to the community, confinement may be the only course to take. But what is to be done with a 10-year-old who is extremely dangerous? Some jurisdictions have no residential facilities for offenders this young.

Without knowing anything about the home situations of the boys involved in these two cases, except that two of the three fathers of the accused are in prison, it is probable that their families alone cannot be given responsibility for their future.

Terrible as these offenses are, the boys charged are themselves children, in need of correction surely but, one would hope, still salvageable. It is a formidable task that depresses even the experts. One Cook County assistant state's attorney said ominously of the Chicago killing, "Every day you think you've finally seen as bad as it's going to get here, and then something like this happens." It will continue to get worse if early signs of violence in children are ignored or minimized, and if society remains reluctant to intervene early and effectively to change the course of those children's lives.

—THE WASHINGTON POST

Vitamin Cease-Fire

In wrapping up its year, Congress did manage to conclude one long-running battle that was odd and intractable even by current standards. This was the conflict that has been raging since 1990 over whether dietary supplements must obey the new law on nutrition labeling that now applies to foods. Alas, the result, if not a draw, is something of a muddle.

Dietary supplements — a large, in-between class of remedies, neither food nor drug, that include vitamins, herbs and a lot of less familiar substances sold in health food stores — will have to obey the food law, which prohibits health claims not based on "significant scientific agreement" that has been recognized and cleared by the Food and Drug Administration. This has to be viewed as progress, given that makers and sellers of the supplements insisted that this would amount to the government's depriving people of their vitamins and anything else they took without a prescription — and insisted this with such fervor that it generated, combatants aver, more mail to Congress overall than health care reform.

The supplements will, however, be allowed to make a different class of claims, known enigmatically as "structure and function" claims, as long as they do not mention a specific disease and are not "misleading." What "misleading" means, and whether a statement such as "Vitamin A is necessary to good vision" counts as a disease claim, a structure and function claim or a misleading claim, has to be settled in yet more regulations by, yes, the FDA. There will also be a commission to study the law's effects for two years and then advise the FDA on said regulations, although its advice will not be binding.

The food law, you'll recall, went into effect eventually with visible and apparently popular new labels to surprisingly little fuss. But the makers of supplements, many of which are already certified as helpful or else harmless, but a few

of which have caused real difficulties, argued that if they had to back up health claims before making them they would have no chance of selling the products. Given the flimsiness of this argument, it is surprising just how much fuss and mist they managed to retain through the law's final, or at least present, incarnation.

Besides the structure and function stipulation, the industry gained some ground in a fight over whether the FDA had to prove harm from a dietary supplement before seizing it from shelves. Where before the FDA could seize a product on suspicion of hazard, and the maker then had to prove it safe, the FDA now must present evidence of "significant risk," "unreasonable risk" or "imminent hazard" to a court 75 days before any such seizure. Companies introducing a new ingredient are now required to notify the FDA that they are doing so.

These sound like improvements in safety and marginally in good sense. But they also have the sound of a fight that has an uncomfortably high possibility of being continued by other means. Too bad. Four years on this was more than enough.

—THE WASHINGTON POST

Other Comment

A Break in the Tango of Death

If the idea of Yasser Arafat as a "peace" laureate makes you queasy, wait till next year: Nobels for Gerry Adams and Ian Paisley?

Protestant paramilitary forces have joined the Irish Republican Army in a cease-fire in Northern Ireland. The tango of death is suspended. Weakness at last has forced the warriors to pick up the olive branch. Lasting peace won't come easily. But it couldn't come at all until the killing stopped. If this be peace, make the most of it.

—The Baltimore Sun

Mr. Arafat, the Palestinian Interest Is to Stop Hamas

By Steven Emerson

WASHINGTON — The bombing of an Israeli bus in which 21 people were killed on Wednesday shows that the only way to contain Hamas is to treat it like the violent terrorist group it is. Yasser Arafat's efforts to lure the extremists into the peace process are guaranteed to fail. If not stopped, Hamas will surely succeed in wrecking the fledgling Israeli-Palestinian peace accord.

The only way peace can be saved is if Mr. Arafat delivers on the promise he made a year ago to the Israelis and the United States: to take definitive steps to clamp down on Hamas.

Because the Palestinian leader has never moved beyond rhetoric, Gaza is fast on its way to becoming a new Lebanon, Israeli intelligence and Palestine Liberation Organization security officials say thousands of Hamas terrorists openly train in Gaza, many in makeshift camps in citrus groves. A senior Israeli intelligence official told me that Israel believes there are 3,000 to 5,000 Hamas terrorists now ready to carry out murders and kidnappings.

Hamas has acquired arsenals that include thousands of automatic weapons and grenades, hundreds of pounds of deadly plastic explosives, and even anti-tank missiles. Hamas squads roam Gaza's streets without any hindrance from the 9,000-man Palestinian police force; not one weapon has ever been confiscated.

The training is carried out openly; an Israeli television has aired film of a Hamas terrorist squad preparing to carry out operations in Israel. The television crew entered Gaza, asked Palestinians on the street where terrorists might be found, and located a Hamas camp within an hour.

Mr. Arafat felt he was wrongly blamed last week when Israel said the Israeli soldier who was kidnapped — and ultimately killed — by Hamas was being held in Gaza. But it is now clear that the Hamas killers were dispatched from Gaza. Israeli intelligence has pinpointed the mastermind of the kidnapping, Abu Khaled. He

lives in Khan Younis, in central Gaza, plotting deadly terror operations.

In the year since the signing of the Israeli-PLO accords, more than 90 Israelis have been killed — triple the number murdered in any year during the intifada. None of the more than 50 Hamas terrorists named by Israeli officials as responsible for the murders has been prosecuted.

In August, Mr. Arafat ordered the arrest of 30 Hamas operatives after a series of lethal attacks; they were released one day later because the police said there was no evidence against them. Last month a known Hamas terrorist, who was shot by Israeli soldiers while fleeing to Gaza after he killed an Israeli guard, walked out of a hospital in Gaza City despite Palestinian police claims that he was "too seriously wounded to be arrested."

If Mr. Arafat really wants to control Hamas, he will have to confiscate all weapons that are not now in the hands of the Palestinian authorities. He should shut down the terror camps — especially those in Khan Younis and Rafah. And he

should arrest those terrorists already identified by Israeli intelligence.

All these steps are practical, but they require political willpower. Brigadier General Nasr Youssef, commander of the Palestinian police, told Israeli radio: "We have the capability to act against the terrorists, but we have not received an order from the political level to do so."

Unfortunately, it is unlikely that Mr. Arafat will take tough action. Last year Israeli leaders said he would crack down on the terrorists because it would be in his self-interest. But the past year has demonstrated that this is not so. Mr. Arafat has learned that as long as he allows Hamas to target only Israelis, it will leave him alone. In the long run, this strategy will doom him, because Israel will find itself compelled to recapture Gaza. And ultimately it will not be Mr. Arafat but the Palestinian people who will suffer the most.

Mr. Emerson, who writes frequently on terrorism, contributed this comment to The New York Times.

India: An Accelerating Economy With Plenty of Room for Growth

By James K. Glassman

WASHINGTON — The 1989 revolution that razed the Berlin Wall seems to have had more profound economic effects outside Russia and Eastern Europe than inside. Capitalism and free markets are suddenly taking hold in China, Vietnam, Latin America and, perhaps most promisingly of all, India.

In 1991, India's economy hit a brick wall. Protectionist policies that had limited imports and exports were precipitating a disaster. The prime minister, P. V. Narasimha Rao, had few choices, so he cut taxes and opened India up to foreign trade and capital.

Today, despite poverty, financial scandals and political violence, India's growth is accelerating, and it is attracting money from abroad. U.S. companies invested more in India in 1992 and 1993 alone than they had in the previous 40 years. Ford, which now sells no cars in India, last week announced a joint venture with Mahindra & Mahindra and will begin manufacturing soon.

India is now the third-largest economy in Asia and the 12th in the world. But more important is its potential for further growth — with its 900 million people, 150 million of them middle-class and well educated. Some 25 million Indians own stocks, and despite the stifling bureaucracy entrepreneurship has deep roots.

Released from government restrictions, Indians are showing that they can innovate like crazy. A good example is cable television, which is completely unregulated. As a result, Bloomberg Business News reports, there are now 60,000 independent cable operators delivering 15 channels of programming to 10 million Indians using wires strung hastily between apartment blocks.

Foreigners still cannot buy stocks directly in India, but it is now easy to bet on the country's prosperity through mutual funds. One closed-end fund, India Growth, was started in 1988 and has returned an average of 19 percent annually since then.

Three more closed-end funds and one open-end fund were launched this year, and their managers have lots of choices. The

Bombay Stock Exchange, founded in 1875, lists 3,263 companies — 50 percent more than the New York Stock Exchange. And India has 21 other exchanges with an additional 4,000 listed companies.

More shares are coming to market all the time. This week the government completed the sale to the public of minority interests in seven state-owned companies, including Indian Oil Corporation, which refines most of the country's oil and is one of the 500 largest firms of any sort in the world.

One hot stock owned by all five of the U.S. mutual funds that specialize in India is Reliance Industries, a petrochemical company that is one of the world's 10 largest makers of polyester. Last week, Reliance announced that profits for the first half of 1994 had risen 146 percent, to \$163 million. Its chairman, Dhirubhai Ambani, is considering a \$6 billion investment in telecommunications.

Other attractive stocks cited by

David Triplett, who manages Pioneer India, the only open-end fund, are Tata Iron and Steel; Ballapur Industries, India's largest paper producer; Great Eastern Shipping, a cash-rich company; and JCT Ltd., a manufacturer of textiles and synthetic fibers with a price-earnings ratio of 10.

Pioneer India managers are so high on India that the country's shares represent the second-largest holding in its Emerging Markets Fund, just behind Hong Kong and ahead of Mexico, Indonesia and Thailand. India is "like a very large ship," Mr. Triplett told me in an interview in his office in downtown Boston. "It turns slowly. Most emerging markets are like small sailboats. They can make quick turns, but they can also be blown over."

One worry with a single-country open-end fund such as Pioneer India is that if stock prices suddenly drop, investors could panic and demand redemption of

their shares. The fund manager might be forced to sell into a thin and sharply declining market.

Mr. Triplett recognizes the risk, but he notes that Pioneer has experience running open-end funds in even thinner markets, notably Poland. Pioneer's fund there has attracted 400,000 Polish investors; its value tripled last year.

Closed-end funds carry their own risks, mainly that the market will sour on a country and drive shares far below their "net asset value" — that is, the actual price of the stocks in the portfolio.

At the end of September, the India Fund was trading at a discount of 15 percent, and the two other new funds — Morgan Stanley India Investment and Jardine Fleming India — were trading at discounts of 6 to 7 percent.

Jardine Fleming closely tracks the Bombay Stock Exchange Sensitive Index, which is dominated by large companies such as Tata and Reliance. "The fund's focus on industrial stocks ... says

William Dinning of PaineWebber Inc., who recently recommended Jardine to clients.

Mr. Triplett's fund uses a "top-down" approach, he told me. "If sugar quotas come off, what happens?" He looks for companies that will benefit. Sales of mopeds are exploding in India, so he looks for a company that can capitalize on the trend.

Still, even India's blue-chip stocks are highly volatile. In 1992, for example, shares of the India Growth Fund rose 81 percent in the first quarter, then dropped 35 percent in the second. For the first nine months of this year, the fund's net asset value rose 24 percent, but the stock price fell 11 percent — as investors who once granted the fund a premium suddenly demanded a discount.

And then there are the assassinations, revolts, and epidemics ... Disasters seem so numerous, Mr. Triplett argues, because it's such a big place with a free press. Good point.

The Washington Post

Vietnam: Determined to Be a Tiger but in Need of Help

By John Williams

NEW YORK — Eight months after President Bill Clinton lifted the U.S. trade embargo on Vietnam, Washington and Hanoi are moving rapidly toward a new relationship. Diplomatic liaison offices in the two capitals are open soon, perhaps next month. Foreign Minister Nguyen Manh Cam said here recently.

Some 65 American companies already have offices in Vietnam. American investment has risen rapidly, although the total, at \$160 million, is still modest. Trade is slowly picking up. Hanoi is hoping for much more.

The Vietnam that Americans are rediscovering, almost 20 years after the end of the Vietnam War, is a very different place. It is on a spectacular roller-coaster ride of economic and social change. The ride is far from over.

In bustling northern towns or Mekong Delta farmlands, Vietnamese say it is their "turn" to join the East Asian economic miracle. Hanoi hopes to double its

GNP in this decade, helped by an estimated \$50 billion in foreign and domestic investment.

Vietnam appears to have the credentials: a hub location between Northeast and Southeast Asia, internal stability, rich resources, a large and literate labor force, a strong work ethic, a big domestic market, a stable currency and stunning tourism prospects. The 2 million overseas Vietnamese — in Europe, North America and Australia — provide a pool of capital and skills for their former homeland.

Vietnam's economy is booming. Growth probably will top 8.5 percent this year. Inflation, once rampant, is under 10 percent. Previously a major importer, Vietnam is now a major exporter. Production of rubber, coffee and seafood is rising. Total exports are forecast to increase 25 percent this year.

Not for Vietnam the gray sadness endured by East European

countries making the transition to market economies. Construction dust fills the air. Stacks of bricks along the roadsides of Lang Son Province, which was economically stagnant not long ago, dwarf the old houses behind. Drivers in Hanoi's outskirts are confused by streets that did not exist on their last visits, but which now are filled with weaving cyclists, animated tea stalls and bustling shops.

The World Bank has studied how the East Asian miracle nations succeeded economically while increasing social stability. The factors include evenly distributed incomes, effective public administrations, reliable legal frameworks, sound banking systems, good infrastructures and healthy savings levels. Also important are investment in primary education and basic health services, reduced discrimination against girls and lower fertility rates.

In many ways this is Vietnam's reverse image. Foreign companies complain of weak banking and legal systems (efforts to improve them are under way). Domestic savings levels are low. Public sector payrolls have been cut by almost 1 million jobs, and the shock of transition is far from over.

"Most families in Vietnam have become richer over the past two to three years," Unicef reported recently from Hanoi. Yet, as it also noted, income gaps have widened within communities, between provinces, and between cities and hamlets, with the heaviest impact on children in remote villages. About 10 million Vietnamese are jobless or underemployed.

The infrastructure for economic success is lacking. More than 85 percent of the road system is dirt. Most railroad bridges were built early in the century. Only 1 village in 10 has telephones.

Fertility rates have slowed, but more than half the populace is under 20. The World Bank expects a population rise from today's 72 million to 117 million by 2025.

About seven years ago, with

coffers nearly empty, Vietnam cut spending on its basic health and education networks. Until then, its literacy and child survival levels were extremely high for a low-income country. A decision to allow family farms to replace agricultural cooperatives, which unleashed surging production, saw local funding for village health clinics and preschool programs evaporate.

It was a damaging double blow. School construction, teacher training and supplies were drastically reduced. Low-paid teachers lost motivation. Enrollment levels slipped as children left to work. In many places malaria spread, drug supplies dried up, and child malnutrition grew.

Revitalizing the networks is now a major governmental concern. Spending is increasing, but much more is needed. Japan — Vietnam's largest country donor — and Australia have pledged assistance for health and education, while the World Bank has mounted a \$78 million program for primary schooling.

Most Vietnamese clearly support the switch to a market economy. Their intelligence, ingenuity and determination make it probable that Vietnam will become an economic success. The question is when, and at what social cost.

The government's commitment to social goals is beyond doubt. Senior officials frankly admit past mistakes, and openly discuss current problems — street children, prostitution, crime, corruption.

Foreign Minister Cam, who was speaking in New York to the Asia Society, expressed Hanoi's pleasure at the removal of congressional roadblocks to American assistance to Hanoi. Certainly Vietnam needs help. A Vietnam that is both prosperous and at peace with itself would be no small addition to the stability and strength of East Asia.

The writer, a former senior United Nations official and now a freelance writer, contributed this comment to the International Herald Tribune.

French Sulking Endangers Europe

By Flora Lewis

PARIS — France has gotten sharply prickly again, seeing slights and risks to its sovereignty identity from various sides in a way that revives the question of how strong a Europe it wants.

The financial scandals and open bickering within the government majority as it prepares to elect a new president next spring have a lot to do with the sour atmosphere. While the politicians are totally absorbed in their contest for power, it is the kind of politics that turns off the electorate and provokes disdain for them all.

There is noticeable envy, if also relief, that Helmut Kohl managed to demonstrate Germany's political stability and continuity in last Sunday's elections, even if his majority was shaved to a wedge. Le Monde contrasts "the confidence that Germans gave their government and the distrust between the French and their political class."

The commentator considers it a French identity problem, reflecting French failure to adapt and strengthen itself after the economic recession and to come to grips with the big European issues. That isn't the way the Germans see it, but the French have always been more nervous about their mutual relations than the Germans.

Underneath, there is a deep psychic struggle about which way France should go and how much it should rely on the French-German "axis" to guide and drive Europe.

As usual when France feels ill at ease with itself, it takes swipes at the United States to reassure itself that it is really self-reliant, despite considerable improvement in French-American cooperation lately.

Thus the defense minister, casting doubt on American reports of Iraqi military move-

ments recently because neither France nor Europe has the independent capacity to confirm the intelligence, suggested that Bill Clinton was deliberately exaggerating because of coming congressional elections. The minister said he wanted to show that France does not "cling" to the United States, and makes its own policy decisions.

When the U.S. ambassador to the United Nations snapped back insinuating that France wanted sanctions lifted because it was in such a hurry to do business with Iraq, the French foreign minister retorted that "France takes orders from nobody." He said, "Yes, France defends its interests throughout the world," and as for commercial interests the United States is at least as self-serving.

But the bigger issue is the coming transformation of Europe and what kind of role France should seek in it alongside Germany. Mr. Kohl and his party have been quite clear about their intentions. They will press for a more federal Europe, at once opening itself to the countries to the east and tightening the bonds that limit national sovereignty.

Otherwise, Mr. Kohl's party declared, the danger is division between France and Germany, with France leading a group of southwestern countries toward protectionism and Germany leading the northeastern group toward open trade.

Some went further, warning of a trend that could leave Germany feeling insecure in the middle and provoke a revival of its interwar turn to seek cooperation with Russia at the expense of its neighbors.

The Germans know where

they want to go, and it is away from the past toward a more integrated, inclusive Europe that removes the temptation to rely on their own power. Conceding that fears of a unified Germany throwing its weight around have not been justified so far, the French argue that Germans are used to federalism and decentralization, but that France to be French requires strong, centralized nationhood.

What the French know is where they don't want to go. They are aware that neither nor will they get them far — that is, neither fighting against loss of sovereignty nor leaving Germany to itself. That only adds to their discomfort and heightens internal tensions.

But there isn't a lot of time to decide on the central question. Austria and three Scandinavian countries are due to join the European Union on Jan. 1; they will have to be accommodated. Then comes the time for big commitment, with the 1996 conference to review the Maastricht treaty and reshape the Union's institutions for the long future.

France is not ready for its great debate, and fears the debate because it is torn. It is edging up in nibbles and quibbles, such as the National Assembly's refusal to respond to Brussels' "invitation" to try to bring down its budget deficit because that interferes with its sovereign right to set fiscal policy, although it already pledged to do just that at Maastricht.

It would be a tragedy for all if a sense of weakness and disarray should be allowed to undermine the French-German understanding on which a sturdy Europe depends. There really is no choice. France needs to face up to it without dragging its feet and sulking.

© Flora Lewis

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Young Monarchs

DRESDEN — "Vale Cesar. The beginning of the end." This is the meaning attributed to the first official bulletin regarding the serious illness of the Czar. The political consequences of a change in the ruler of Russia cannot be calculated. The notorious dislike of Germany on the part of the dying Czar did nothing to disturb the peace of Europe, but the more friendly sentiments of his heir do not in any way guarantee it. In any case our Eastern hemisphere will have a somewhat curious appearance at the close of the century on account of the youth of the reigning monarchs. One hundred and sixty-five millions will be under the rule of a thirty-five-year-old Emperor and a twenty-five-year-old Czar, not to speak of the little kingdoms of Serbia, the Netherlands and Spain, whose rulers are almost all children.

1919: War-Swept Fields

PARIS — One unexpected consequence of the desire of Americans to visit the battlefields of France is that the New York hotels are filled to overflowing. The city is crowded with tourists waiting for the steamship passages that will enable them to go to France and gaze on the war-swept fields where husbands, brothers, lovers, sons, died in the cause of liberty.

1944: Yugoslav Future

MOSCOW — [From our New York edition:] Prime Minister Churchill and Premier Josef V. Stalin have ended their conference here after making important progress toward establishing a joint British-Russian policy toward Yugoslavia. Both great powers agreed that the Yugoslav people have the unalienable right to settle their constitutional future after the war.

International Herald Tribune

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Hamas and Israel: Tale of Enmity and Miscalculation

By Alan Cowell

New York Times Service

JERUSALEM — There is a lingering irony in the rise of Hamas, the militant Islamic group that took responsibility for the attack in Tel Aviv.

Secular Palestinians say that at Hamas' founding in December 1987, Israel did little to halt its activities, seeing the group as a potential counterweight to broad support for the Palestine Liberation Organization.

The calculation, at the start of the Palestinian uprising, did not last long, but it has returned

to haunt Israel. The power of radicalized Islam among the Palestinians of the Gaza Strip and the occupied West Bank has come to represent a force that defies conventional military countermeasures.

On Oct. 9, Hamas guerrillas sprayed restaurants in Jerusalem with automatic-rifle fire, killing two people. On Oct. 11, the organization announced the kidnapping of an Israeli soldier, Nachshon Waxman, who was killed along with another Israeli and three of his captors in a rescue attempt. Then came the

bombing attack Wednesday in Tel Aviv, killing at least 21 people on a bus.

The spate of attacks is only part of a long tally of actions that demonstrate how a small and secretive group can marshal surprise and suicidal commitment to terrorism to project a political message. Hamas' opposition to the current Middle East peace efforts is rooted in the idea of a holy war against Israel and its replacement with an Islamic state.

The organization was founded by a quadriplegic cleric,

Sheikh Ahmed Yassin, in the Gaza Strip in December 1987.

Initially, Israeli officials believe, the group's funds came from Saudi Arabia, the Gulf and, possibly, Iran. Hamas also levied "taxes" among local supporters, particularly in the refugee camps and other places in the Gaza Strip.

These days the picture is far more opaque. Collette Avital, the Israeli consul-general in New York, said Wednesday that training and financing for the group was provided in the United States.

"Hamas has an infrastructure in this country," she said in New York.

While it initially joined forces with the PLO in the uprising, Hamas soon began to carve a more radical course, resorting to firearms in 1989, first to execute Palestinians suspected of collaborating with Israel, then to kidnap and kill Israelis.

It was only in 1990, though, that it founded its military wing, the Qassam Brigades, named for a firebrand cleric killed by the British in Palestine in 1935. They are thought to be made up of only a few hundred people organized in small cells.

Hamas's following has always increased as efforts toward peace stumbled.

Equally, though, the Middle East peace moves by Mr. Arafat and others have only spurred the group to ever greater violence.

In the past, Israel has responded to attacks by mass arrests of Hamas militants. The militants, though, seem less worried at the prospect of detention by the new Palestinian police force in Gaza.

Hamas Tapes a 'Martyr'
Hamas issued a videotape on Thursday of a man calling him-



Saleh Abdel Rahim Souwi holding an Israeli-made assault rifle in Hamas tape.

self a "living martyr," Reuters reported from Jerusalem.

The timing suggested that he could have been the one who carried out the apparent suicide attack in Tel Aviv on Wednesday. However, the man said nothing on the tape to link him-

self specifically to the bomb attack on the passenger bus.

Saleh Abdel Rahim Souwi, 27, said farewell on the tape to his family and friends, the normal practice of Islamic guerrillas about to embark on suicide missions. He also warned of

further Hamas suicide attacks if Palestinian prisoners were not released.

After the tape surfaced, the Israeli Army told Mr. Souwi's family to leave their home in Qalqilya in the occupied West Bank before it was demolished.

In Fearful Tel Aviv, Life Still Rolls On

New York Times Service

TEL AVIV — Yitzhak Razimor had one overwhelming concern Thursday as he rode the No. 3 bus down Dizengoff Street, past the stores selling books and fashion boots and jewelry, past the fast-food outlets offering shawarma in pita, and past the little, makeshift shrine of candles and flowers where at least 21 people died in a suicide bomber's attack on the same bus line Wednesday.

"Fear," said the 29-year-old Israeli who works in the marketing section of a big bank. "I feel fear. I'm sitting in this bus and I'm not sure I'll get off again alive."

Hannah Schreiber, a social worker who came to Israel from New York five years ago, was also edgy. Earlier Thursday, she said, she had tried to take the No. 4, rather than ride a line associated with one of the worst terror attacks in Israel's memory. Indeed, she had tried to steer clear completely of Dizengoff Street — a place, Mr. Razimor said, that had been "a symbol, the one place that we thought was safe."

In the end, though, Ms. Schreiber said, she had decided to pay her three shekel (\$1) fare and board the Dan Co.'s No. 5. "I decided that life had to go on."

Thus did many Israelis resume their normal life Thursday to find that a familiar stoicism had blended with a new sense of vulnerability provoked by an attack for which the militant Islamic Hamas movement took responsibility.

"It's the fear, it's the feeling that my home isn't safe anymore," said Sigal Saad, 27, a jewelry designer, as she waited at the bus stop outside Ben and Joey's

fast-food outlet near the site of the bombing, where people gathered to gaze on blown-out windows and twisted metal five stories high.

"Hamas is so strong and we are not protected," said Marion Nakshol, who came to Israel 12 years ago from South Africa, weeping as she spoke. "Nothing in South Africa was like this. Even with apartheid."

Perhaps surprisingly, few of the people interviewed during a round-trip ride on the No. 5 between Dizengoff Street and its terminus at Pinkas Street said they believed that the attack Wednesday should be permitted to halt the effort toward peace.

And some pondered the irony that the No. 5 runs to a prosperous area of north Tel Aviv, where many people support the Labor government seeking peace with the Palestinians.

"Don't think the opposition politicians haven't noticed that," said Gill Marx, who came to Israel 40 years ago from London, as she rode the southbound No. 5 to meet friends for lunch.

These are unsettling times, she seemed to say. There is the sense that, with the emergence of the radical Islam of Hamas, Israelis face a new foe — not marshaled Arab armies or stone-throwing Palestinian youths, but a fearless adversary in their midst.

"If a terrorist gets onto the bus, how do you know? What can you do?" asked Mrs. Marx. But you still had to take the bus, she said. "You can't just close up shop."

That is a familiar dichotomy for Israelis. Buses are targets that have drawn 28

attacks since 1954, six of them this year. But they are also the prime form of urban and intercity transport: The Dan Co.'s 1,430 buses, plying 107 routes in the Tel Aviv area, carry about 700,000 fares each day, a company spokesman said, almost half the 1.5 million people using public transportation each day across Israel.

The spokesman, Itzhak Kagan, said there had not been much of a drop in the number of passengers Thursday. But the No. 5, at least, did not seem too busy as it began its run, with the air-conditioning blasting to beat the fall heat and the radio pumping jaunty music to somber people.

"We have to go on living," said Adam, 16, as he and two teenage friends headed back from school.

"It just shows why we need peace," said Inbal, 16.

The peace process has nothing to do with this, added Yehiv, 17.

But Uriel Dom, a 52-year-old engineer, did not quite agree. "The whole peace process is in doubt in the minds of many people who supported it, like myself," he said.

"Once, we thought the alternative to war was peace. But now we have peace and we are not sure if peace is the ultimate answer. I think security is the ultimate answer, and that's what we are looking for now — security before peace."

"Every sabotage that takes place in Israel is going to turn a lot of people against peace, no question of that," he said. "But life is returning very fast to normal."

—ALAN COWELL

Ignoring Perry, China Plans More A-Tests

By Steven Mufson

Washington Post Service

BEIJING — China will continue underground nuclear testing despite Defense Secretary William J. Perry's suggestion that Chinese leaders earlier this week that American-provided computer simulations could replace the tests, a senior Chinese Foreign Ministry official said Thursday.

Moreover, he added, China still has reservations about the comprehensive test ban treaty being negotiated in Geneva that China has said it expects to sign in 1996. The treaty would end nuclear tests, though nuclear powers other than China are already observing a moratorium on tests.

"Nuclear powers have said the test ban agreement would be complete by 1996, but the Chinese official called that 'an artificial date, indicative of political will.'"

He said China wanted the United States to declare that it would not use nuclear weapons

first. He said that that was not a condition to finishing a test ban treaty, but that an American assurance would make a difference. "A U.S. commitment on no-first-use would certainly help Chinese participation in the negotiations," he said.

China has already declared that it would not use nuclear weapons first, but only if under nuclear attack.

Despite the moratorium observed by other nations, China has continued to test nuclear weapons at Lop Nor, its testing site in the westernmost province, Xinjiang. Its most recent test was on Oct. 7. Though protested by the other nuclear powers, the test had been widely expected by other nations.

Some American officials appear resigned to further tests, but Mr. Perry had raised the possibility of progress in remarks to reporters.

Most analysts say they believe, however, that China is pursuing further tests because it is on the verge of finishing de-

velopment on a new generation of nuclear weapons that would narrow somewhat the wide technological gap in nuclear weaponry between China on the one hand and Russia and the United States on the other.

"In terms of security, we're in an inferior position," the Foreign Ministry official said. "We have to seriously consider our position. The number and quality of weapons would be frozen forever and would put China in a permanently inferior position."

At the same time, however, he noted that there were reasons for China to sign the test ban treaty. "This is not the only weapon system on which China depends," he said. Moreover, he added, "we don't have the financial capability. We need to be able to say we can do it, and please don't blackmail us."

The official also said that China had in fact exported missiles to Pakistan. He said the missiles were not missiles for carrying "weapons of mass de-

struction" as the Clinton administration had alleged. But he added that the definition of what sort of missile was capable of carrying such weapons was fuzzy.

On Oct. 4, the United States and China signed an agreement in which China said it would no longer export missiles with such deadly capabilities, without saying whether China had done so in the past. In return, the United States agreed to lift bans on an array of high-technology sales to Beijing.

The official said that some of the conflict between the United States and China could result from different views of what missiles had the ability to deliver nuclear weapons.

As recently as last week, he said, the United States had alerted China that a plant in northern Pakistan was making long-range missiles using parts provided by China. But the official said Chinese investigations had concluded that the U.S. allegations were false.

KOREA: UN Nuclear Agency Official Is Skeptical of U.S. Deal With North

Continued from Page 1

several years the inspection of suspect sites.

The accord "shows it is always possible to get an agreement when you give enough away," said Senator Bob Dole of Kansas, the Republican leader. The deal also has been heavily criticized in South Korea. Many people there see it as a diplomatic triumph by Pyongyang, which failed to dispel doubts about its nuclear intentions.

As part of the pact, which will be signed in Geneva on Friday, the United States will fund an international consortium to provide North Korea with an interim supply of fuel to overcome its chronic energy shortage, and eventually two 1,000-megawatt light-water reactors.

In exchange, North Korea will abandon its existing nuclear facilities and renounce any plans to build nuclear weapons.

Only once the new nuclear installations are substantially completed, however, will North Korea allow agency experts to inspect its sites. And that could be five years

or more, according to agency officials in Vienna.

North Korea's refusal to allow unlimited access to agency inspectors under the terms of the Nuclear Nonproliferation Treaty was at the root of the crisis.

North Korea signed the treaty in 1985, but refused to allow safeguard inspections until the United States removed nuclear weapons from South Korea. Seoul said no such weapons were based on its soil.

North Korea promised that it would shut down the five-megawatt graphite reactor and stop construction at two 50-megawatt and 200-megawatt plants, which would have been able to produce considerable quantities of weapons-grade plutonium. The light-water reactors will operate on imported uranium, making it easier for the international community to maintain some control over the North Korean nuclear program. This type of reactor is also described as less efficient at producing bomb-grade plutonium.

The agreement was reached after several

weeks of negotiations in Geneva, which followed a meeting between former President Jimmy Carter and the late North Korean leader, Kim Il Sung.

The U.S. negotiators, headed by Robert L. Gallucci, hope the agreement will reduce military tension in the Far East and help the isolated North Korean state improve relations with the United States, South Korea and Japan.

Seoul Rebuffs War Games
South Korea has asked the United States not to hold joint military exercises this year, Agence France-Presse reported from Washington.

"The Republic of Korea has asked that the exercise not be held this year," a State Department official said. "We're at a very sensitive point, especially in terms of North Korean relations."

This has to do with South Korea feeling that it doesn't want to have these exercises happening at this time because of the negative inference that could come from them," the official said.

ISRAEL: Cracking Down

Continued from Page 1

Bank town of Jericho gained limited autonomy.

In Tel Aviv, Israelis visited the site of Wednesday's bombing, lighting candles in a box set up on a metal stand.

Some cried; others argued politics.

Rabbis ordered that all trees in a 50-meter radius of the bombing be uprooted. The force of the bomb splattered blood everywhere and pieces of flesh were embedded in the maple trees' branches and trunks.

Under Jewish religious rules, human remains cannot be left in the open air.

"They hate us, and we must be completely separated from them," said Fruma Levy, a schoolteacher, referring to the Palestinians. "We must erect a Berlin Wall between us and them."

Exceptions to the isolation of Gaza and the West Bank would be permitted only for humanitarian reasons, said Haimie Yehoshua, spokeswoman for the West Bank military government. She said doctors and nurses would be allowed across if a specific need was proven.

Police Minister Moshe Shaleh said the government also planned an international campaign to cut off donations from Americans, Britons, Iranians and others to Hamas. He said American support for Hamas was centered in Chicago and Texas.

Although the closure could defuse tensions in Israel, an extended shutdown risks increasing support for Palestinian extremist groups.

(AP, AFP, Reuters)

CHINA: U.S. Joins Rush

Continued from Page 1

rency or direct backing by China's central government, many projects will never be built, according to project finance experts surveying the China market from Hong Kong.

In Europe, the U.S. initiative appears to some executives to be a way of correcting years of having neglected China for political reasons. In their view, financing is seldom the decisive factor in large projects.

Peter Olls, a spokesman for Siemens AG in Munich, said, "The quality of products and systems will continue to play a major role and we are confident that with our expertise in systems integration — energy supply, transportation, communications and health care — our products will continue to be very good acquisitions."

To be sure, the U.S. initiative means harder competition. Because many big French and Italian companies competing for exports are all or partly state-owned.

Kevin Murphy in Hong Kong and Brandon Mitchell in Frankfurt contributed to this article.

Rwanda Official Denies Theft Missing Foreign Minister, Accused of Taking Cash, Surfaces

Compiled by Our Staff From Despatches

UNITED NATIONS, New York — The chief of Rwanda's Foreign Ministry said his minister, Jean-Marie Ndagijimana, who apparently surfaced in Paris on Wednesday, should be "tracked and arrested as a common thief" for disappearing from New York with about \$187,000 earmarked for Rwanda's diplomatic missions in the United States.

"Statements that he is denying theft are totally unacceptable," Claude Dusaidi, the ministry's director-general, said at a news conference at the United Nations.

Mr. Dusaidi said he had been instructed by President Pasteur Bizimungu, who was in New York earlier this month to address the UN General Assembly, to ask Mr. Ndagijimana to hand over some \$187,000 to his UN envoy.

Mr. Ndagijimana "didn't do it," Mr. Dusaidi said, adding, "I think he should be tracked and arrested as a common thief."

The foreign minister said

CLINTON: Next Is GATT

Continued from Page 1

liberalization of world trade signed in tough negotiations, the Clinton administration appeared to falter on getting it approved in the face of congressional objections.

But Mr. Clinton plans to call the Senate back into session to deal with the agreement, diplomats said, confident that he has enough votes now that big U.S. companies have persuaded fence-sitting senators that approval will increase U.S. exports.

In an unexpected tribute to Mr. Clinton, Owen Harries, a prominent conservative analyst, recently defended the administration's foreign policy — despite its generally sloppy appearance — as the best that could be expected, no matter who is in the White House, as the United States goes through a trial-and-error process to define its real interests in the post-Cold War era.

U.S. policy dilemmas may ease even in Bosnia, where Washington has rattled London and Paris by threatening to break the arms embargo. Britain and France have started redeploying their UN peacekeeping forces to be out of harm's way if warfare escalates.

Storms Pound Iran Coast

Reuters

NICOSIA — Rainstorms and rising sea waters wreaked havoc along Iran's Caspian coast, damaging more than 2,000 houses.

Thursday that he had never had the money.

Mr. Ndagijimana, who telephoned Agence France-Presse from somewhere in France, also spoke of political differences with the Kigali government and said he feared for his safety if he returned to Rwanda.

A spokesman for the French Foreign Ministry, meanwhile, confirmed that Mr. Ndagijimana had arrived in France.

The minister was on a "private stay," and Paris was not planning to contact him, the spokesman said, adding that Mr. Ndagijimana had a multiple-entry visa valid for France.

Mr. Dusaidi later told reporters that he had asked the French UN Mission to have Mr. Ndagijimana arrested and extradited.

In a statement faxed to Reuters in Paris, Mr. Ndagijimana denied absconding with funds for Rwanda's Washington Embassy and UN Mission.

He said the accusations against him showed "the atmo-

sphere of prejudice, suspicion and mistrust which currently rules at the heart of the Rwandan government."

Mr. Ndagijimana was ambassador to Paris for about four years under Rwanda's Hutu-led government, which was overthrown in July by the mainly Tutsi Rwanda Patriotic Front.

Mr. Dusaidi said the minister's disappearance from his New York hotel room on Oct. 9 "certainly set back our efforts" to include members of the former administration in the new government.

Mr. Ndagijimana said in his statement that "some Rwandan leaders are trying to push me towards the exit, given the positions I have adopted on a number of fundamental political issues."

He called the theft charge "as serious as it is ridiculous for anyone who is aware of procedures for transferring public funds in our country."

(Reuters, AFP)

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On Buddhist Holy Ground in Nepal

By Barbara Crossette
New York Times Service

LUMBINI, Nepal — In my hotel room in Lumbini, instead of a Gideon Bible, there was a copy of "The Teachings of Buddha." I searched it and found a lesson appropriate to the place: "Soft zephyrs pass through the trees of that Pure Land and stir the fragrant curtains of the pavilions and pass away in sweet cadences of music."

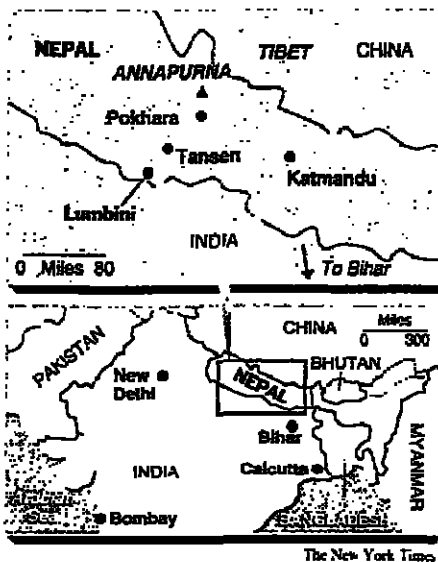
It was evening, and a cooling breeze stirred the flower gardens of the small hotel where birds twittered to mark the fading of daylight. For millions of Buddhists, this isolated pocket of Nepal is holy ground. They believe that the Lord Buddha was born here more than 2,600 years ago as Siddhartha Gautama, a prince of the Shakya clan whose people still live among the rice fields and groves of the subtropical Terai, a region of Nepal along the border with India.

Though pilgrims have apparently been coming here for a very long time, archaeological work around the birthplace has only recently begun in earnest. And Nepal, with the help of Buddhists the world over, is turning hundreds of Lumbini's green acres into an international center for study and meditation. With an airport and a few hotels in place, tourists can now come here to watch a new religious center bloom, while learning about a faith whose appeal continues to grow in the West.

Pilgrims come in clusters, skirting archaeological excavations to pray in temples or just stroll in the grass of this green space that Buddhist history calls Lumbini Garden.

Archaeology buffs will be fascinated with the practical problems Lumbini poses. First of all, there is more legend than history associated with this site. Not all secular experts agree that the man known as the Buddha Shakyamuni — the sage of the Shakya people — was unquestionably born here.

Legend says that Buddha's parents' home was at Kapilavastu, about 15 miles (24 kilometers) away. Why he was born here in a pleasant grove under a sal tree (a



tropical hardwood, *shorea robusta*) is still a matter of conjecture. According to a popular version of the story, his mother, Queen Mahamaya, had stopped to rest on her way to her parents' palace in a neighboring kingdom. Local custom demanded that she return home to give birth, but the child came too soon.

Another version says that she deliberately chose the peaceful garden for its natural beauty and that she was accompanied by a retinue of attendants expecting the baby to be born here. In any case, a spot of grass under a tree doesn't produce many artifacts to prove or disprove a legend a couple of thousand years later.

For centuries very few scholars apart from a couple of ancient Chinese monks visited or were able to find Lumbini or nearby Kapilavastu, where the palace of Buddha's father, King Sudhodhana, is thought to lie in ruins. Then in 1895, Khadga Shamsher, the brother of the ruler of Nepal and a historian, led a German archaeologist working for the British Survey of India to the place where a pillar was supposed to have been erected in the third century B.C. to mark the spot where Buddha was born in the sixth century B.C.

The pillar, ordered by a great Asian Buddhist emperor, Ashoka, was found partly buried and cracked, perhaps by lightning. Nearby, there was a temple with a frieze-like sculpture depicting the Nativity. It recounts in stone how the Buddha-to-be, stepped from his mother's side and stood in her shadow.

Desultory and sometimes damaging excavations in search of the first temple built on the site took place in the 1930s. But it was not until the last few decades that Nepal plunged with any vigor into Lumbini.

Through the United Nations Development Program, a Japanese architect, Kenzo Tange, was soon brought in to create an ambitious plan for landscaping and the construction of buildings, including temples and study centers, that cover an area three miles long and about a mile wide. The project is finally beginning to take off, though not entirely without controversy.

In India, there are scholars and religious leaders who insist that Buddha was born on their soil, and that the ruins of the Shakya capital lie buried there. Furthermore, lurking behind the debate is an Indian Hindu revival movement, which lays claim to Buddha and Buddhism as an offshoot of Hinduism. Indian Hindu priests control Buddhist temples at Bodhi Gaya, in Bihar, where Buddha attained enlightenment.

But development at Lumbini goes on, with a number of Shakyas from Buddha's clan working at the site, among them Purna Man Shakyas, the Lumbini project manager. He says that the contemporary brick museum building, at the opposite end of the grounds from the archaeological center, is now finished and that the first exhibitions will be in place by the end of the year.

Work has begun on a Korean temple-monastery complex and a Vietnamese Buddhist center, paid for by exiles in Europe; these are the first of about a dozen monasteries under contract. Two existing temples — one built by Tibetan Buddhists and one by Theravada Buddhists, the

school followed in Thailand, Burma and Sri Lanka — will be dismantled and reconstructed in new locations in the monastery cluster, within 100 yards of the legendary birthplace.

When all the work at Lumbini is finished, the temple at the birthplace site with its sacred pools, surviving bases of votive stupas and other ruins yet to be excavated will stand alone in an area called the Sacred Garden.

At this moment, the beauty of Lumbini is in the tranquility of its rustic setting of meadows that were once farm fields, which is beginning to attract tourists worn down by the traffic and pollution of Nepal's capital, Kathmandu, a 45-minute flight away.

On an initial visit to the archaeological center, I went by taxi (arranged with advance notice by the hotel). Next day, I switched to a bicycle, and that made all the difference. Pedaling along still-earthen roads that traverse the site on its north-south axis — lanes more jarring to cars than bikes — makes it possible to listen to those zephyr breezes and see small pictures of life that would otherwise be missed.

THE people who live around Lumbini are mostly Hindus and Moslems, said Nirmala Nanda Bhikku, the abbot and only resident monk at the Theravada temple. "There's not a Buddhist in sight," he assured me.

In the area, the Lumbini Hokke offers both Western and Japanese accommodations that are luxurious by Nepalese standards. Nearby, the new Sri Lankan Pilgrim's Rest House is inexpensive and monastic. A third hotel now rising in the complex will be strictly commercial, built by a Japanese chain.

Lumbini is being developed coincidentally at a time when Buddhism is enjoying a renaissance in Nepal, led by Tibetan exiles. "Buddha belongs to everybody," said Babu Krishna Rijal, a Nepali historian and archaeologist who has written on Lumbini and other nearby sites. "But we are lucky to have Buddha born here."



The Ashoka pillar, believed to have been erected in the 3d century B.C.

Honduras, the Less Traveled Caribbean

By Martha Stevenson Olson

TELA, Honduras — Between Honduras's border with Guatemala and the roadless swamp-land to the south known as the Mosquito Coast stretch countless white sand beaches, punctuated by an occasional town and by small villages of Garifuna, fishing people descended from African slaves.

Overlooked for many years by all but a few intrepid tourists, Honduras has recently been experiencing a tourism boom fueled in part by a new measure of political stability. Although tourist facilities are meager compared with other Caribbean countries, luxury resorts are on the increase and prices are still a bargain.

A visit last spring began in Tela, a small town given over mostly to fishing and tourism. The former United Fruit Company headquarters here has been converted to a luxury resort, Hotel Villas Telamar, on one of the loveliest beaches on the coast. Across the Tela River is old Tela, a jumble of classic Caribbean architecture — brightly colored gingerbread-style houses — and newer cement-block cubes.

Much of the area around Tela is already, or is soon to be, a protected nature preserve. A pleasant day can be spent in the Lantecilla Botanic Garden and Research Center, a national park with a collection of tropical species from around the world founded by the United Fruit Company in 1926. Of the park's 1,714 acres (685 hectares), only 131 are open to visitors.

Along the coast on both sides of Tela are Garifuna villages and nature reserves. To the west is Punta Sal National Park, a 485-square-mile land and marine

preserve that is home to monkeys and manatees. The Punta Izopo Wildlife Refuge, to Tela's east, is 70 square miles (180 square kilometers) and supports a similarly wide range of habitats.

La Ceiba, the biggest town on the north coast, is about 95 miles (150 kilometers) east of Tela by an inland road that skirts the lush Numbre de Dios mountains. Along the way are thousands of acres of banana and pineapple plantations, along with tantalizing glimpses of coastal beaches.

Most foreign visitors come to La Ceiba in order to fly to the coral reefs of Honduras's offshore Bay Islands, but it is also home to one of the country's best-known preserves, Pico Bonito National Park.

Visitors willing to venture farther afield, however, will be rewarded in Trujillo, a charming and quixotic coastal town about 150 miles east of La Ceiba. It was here that Christopher Columbus and his crew had their first Mass on the American mainland, on Aug. 14, 1502. Gold and silver from the interior was shipped from this port, making it a frequent target for pirates; remains of several Spanish forts still dot the high ground.

Energetic nature lovers might enjoy hiking in the jungle-clad mountains that surround Trujillo; monkeys, waterfalls and all the splendors of the tropical rain forest are fairly accessible from Hotel Villa Brinkley, owned and run by Peggy Brinkley, an American expatriate. On a clear day, the view from the bar and dining room can include the offshore Bay Islands as well as a breathtaking stretch of the northern coast.

It was these Bay Islands that lured us from Trujillo. Inhabited mostly by the descendants of pirates, British settlers and African slaves, the islands seem more Caribbean than Honduras.

The biggest islands are Utila, Roatan and Guanaja, sprinkled roughly east to west parallel to the coast. Roatan, the middle island, has the widest range of accommodations, from treehouses to luxury diving resorts. Utila, on the east, is geared more to the budget traveler; it lacks Roatan's smooth beaches but has some good diving spots. Guanaja, to the west, is known as the Venice of Honduras; its major town, Bonaca, is built atop stilts on two offshore islands, designed, it is said, to distance it from the sand flies.

Almost every traveler coming from the islands had a story of pernicious clouds of bloodsucking no-see-ums. Various prophylactics were suggested: Avon's "Skin So Soft," or coconut oil mixed with insect repellent. Curiosity prevailed, and we decided to go to Roatan.

Most visitors bypass the island's biggest town, Coxen Hole, and go directly to a resort. We chose the little communi-

HEAR THIS

■ Everybody-has-to-keep-busy update: Within the last two weeks, Bangkok chef's cooked up a one-and-a-half-metric-ton serving of the Thai noodle dish Pad Thai during a food fair, and in Copenhagen, Claudio Caviechi won the men's title at the Eighth World Pipe Smoking Championships, puffing away for two hours, 52 minutes and 35 seconds.

ty of West End, which is a jumping-off place for excellent snorkeling as well as a fine beach.

West End turned out to be an easygoing place, about a half-mile of dirt road anchored at one end by the Church of God and at the other by the First Baptist Church, its back wall a stretch of windows looking onto neighboring Half Moon Bay.

Excellent snorkeling can be had all around Roatan; however, deep-sea diving is the principal attraction for many visitors. All the resorts, and many independent operators, offer various scuba courses, including the introductory class that leads to diver certification.

Although the ideal way to discover Roatan, and for that matter all the Bay Islands, is by boat — and almost every kind is available for charter — for landlubbers a rental car can provide a fine day's excursion. The newly-paved road that runs almost the length of the island passes through surprisingly high mountains and affords vistas along both coasts.

The more one sees of Roatan, the more the unknown beckons — those tracks that lead to the wild north and south ends of the island, and the reefs and wrecks waiting to be explored underwater. Then there are the other islands — Utila and Guanaja, as well as a plethora of little outposts with names like Raggedy Cay, Barbareta and the Hog Islands.

As the sea breezes work their spell, the mind weaves "Owl and the Pussycat" fantasies: if only one had a boat, lots of time and plenty of money.

Oh yes, and plenty of "Skin So Soft."

Martha Stevenson Olson, who recently spent five weeks in Honduras, wrote this for The New York Times.



Gary Kemp, as a Budapest policeman, in the Hungarian film "Magic Hunter."

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Magic Hunter
Directed by Ildiko Enyedi, Hungary.
Perhaps only a Hungarian would even attempt to make a "philosophical thriller," as this film is subtitled, and the result, a modern fairy tale in the story of a centuries-old miraculous portrait of the Virgin Mary, is suitably oddball and engaging. Max (Gary Kemp, of the pop band Spandau Ballet) is the Budapest police force's ace marksman, but during the rescue of a girl seized by an armed man, he accidentally hits the hostage. His confidence shattered, Max unwittingly makes a pact with the devil in the form of Kaspar, a sinister colleague at police headquarters, who offers him seven mysterious bullets sure of finding their mark. Having regained his position using some of the bullets in a target-shooting test, Max's next assignment is to defend Maxim, a visiting Russian chess master, who has been receiving death threats but has refused formal protection. While shadowing him, Max witnesses his wife meeting Maxim by chance in the park where she takes their small daughter to play, and becomes an unwilling voyeur as the relationship looks set to become an affair. Meanwhile, the assassin stalking Maxim prepares to strike, but Max is unaware that the last

magic bullet will strike the target not of his own, but of the devil's choosing. The underlying message, that we all live simultaneously both in the present and within the continuum of history, emerges naturally and without didacticism. And the Virgin Mary's deus ex machina intervention is fun. (Roderick Conway Morris, IHT)

Crest of Betrayal
Directed by Kinji Fukasaku, Japan.
Back in the old days when business got bad, the Kabuki managers would sometimes combine their two best-sellers into one super-spectacle — "The Yotsuya Ghost Story" would be conflated with "The Loyal Forty-Seven Ronin" and the chips allowed to fall as they might. Now, when business is again just as bad, motion-picture executives have attempted the same formula, as the Japanese title of this effort indicates: "Chushingura Gaiden/Yotsuya Kaidan." Evil lemon, who gives faithful Oiwa a potion that turns her into a bug-eyed monster, is also the good 48th ronin, intent on his exemplary revenge. This leads to many complications as the story lines collide and we dodge the falling chips. To his credit, action-director Fukasaku does not take any of this too seriously and has

consequently enlivened his film with much sword-chopping, and lots of really Kabuki-like bad taste — creepy morality, over-the-top acting, and such prime period-sleaze as severed heads that blink. (Donald Richie, IHT)

Delits Flagrants
Directed by Raymond Depardon, France.
When somebody is caught red-handed stealing at the Galeries Lafayette, decorating the Métro with graffiti, insulting a cop or pulling a knife in a fight, he is arrested and taken to the bowels of the Palais de Justice to be interviewed by a deputy prosecutor. It is the *face-à-face* between the law and the lawbreaker that Depardon has chosen to capture on screen. The reportage has the brutality of an emergency: the encounter takes place *à huis clos*, in an antechamber to the courtroom, and means freedom or jail. The camera closes in on the accused and on the intensity of the encounter in which he is being judged on the spot. The filmmaker has cropped his images to show these human specimens in profile, each caught in a role, each a prisoner of his identity. The prosecutor is as closely scrutinized as the accused, and nobody — including the spectator — gets off lightly in this taut documentary. (Joan Dupont, IHT)

OPINION

A New Book on Genes and IQ Rings an Old Bell

By E. J. Dionne Jr.

WASHINGTON — If you had any doubts that Americans live in a time of deep pessimism about the possibilities of social reform, the revival of interest in genetic explanations for human inequality ought to resolve them.

This is a recurring pattern in American history. Whenever the social reformers are seen as failing,

This is not a 'scientific' book at all but a political argument offered by skilled polemicists aimed at defeating egalitarians.

along come allegedly new theories about how the quest for greater fairness or justice or equality is really hopeless because people and groups are, from birth, so different, one from another. The social reformer is dismissed as a naive meddler in some grand "natural" process that sorts people out all by itself.

That is the real significance of the appearance of and interest in "The Bell Curve," by the late Richard J.

Hernstein and Charles Murray.

The implicit argument of the book is that if genes are so important to intelligence, and intelligence is so important to success, then many of the efforts made in the past several decades to improve people's life chances were mostly a waste of time.

Mr. Hernstein and Mr. Murray never quite say that. Their book and their article summarizing it in the current issue of *The New Republic* are full of careful hedges aimed at saving them from being charged with crude racism or determinism.

On the one hand, they cite data showing persistently large differences between the IQ scores of blacks and whites (and smaller ones between whites and Asians). But they then assert that it is, of course, wrong to attribute to any given individual the characteristics that the data associate with their race. They produce an 845-page book on race, class, genes and IQ, and then assert that "the fascination with race, IQ and genes is misguided" — as if their book would not increase the level of fascination with race, IQ and genes.

But let us accept their goodwill and

their caveats. The real problem here is with the authors' claims that making the argument that genes are making requires enormous courage; that this argument represents some sort of breakthrough; and that "it doesn't matter" whether "the black-white difference in test scores is produced by genes or the environment."

Mr. Hernstein and Mr. Murray assert that they are taking on "a taboo issue." They argue that the question is "filled with potential for hurt and anger" but that it is "essential that people begin to talk about this in the open."

But who will be hurt and who will be angry? Surely it does not require great courage to make arguments that will reassure the well-educated and well-off that they hold their high positions because they are, on the whole, smarter than everybody else. If you deserve to be at the top, you needn't trouble yourself over whether those who aren't have been relegated to their positions through bad luck or discrimination or other forms of injustice.

Mr. Hernstein and Mr. Murray say they support "some sort of redistribution" for the poor. But they also "urge generally" that welfare be ended because it encourages

"low-IQ" women to have babies. They are in a long tradition. Every time arguments about genes or intelligence have arisen in American politics, it has been to blunt the drive for "some sort of redistribution."

That is why their argument is not new. One need only revisit the historical Richard Hofstadter's fine book, "Social Darwinism in American Thought." He showed how similar theories — holding that "nature would provide that the best competitors in a competitive situation would win" — have been used for nearly a century to thwart social change.

Social Darwinism, Mr. Hofstadter wrote, "gave strength to attacks on reformers and on almost all efforts at the conscious and directed change of society."

Before Mr. Murray and Mr. Hernstein there was William Graham Sumner, who wrote 80 years ago that "the millionaires are the product of natural selection, acting on the whole body of men to pick out those who can meet the requirements of certain work to be done."

Sure, these people "get high wages and live in luxury, but the bargain is a good one for society." Why? Because, said Mr. Sumner, "there is the intense competition for their place and occupation," and "this assures us that all who are competent for this function will be employed in it."

The Hernstein-Murray argument is thus not a brave breakthrough but a flashy repackaging of a repeatedly discredited fashion.

Thus was pseudo-science about racial differences used to justify the end of Reconstruction and the reimposition of a segregated caste system on the American South.

So the focus on nature or nurture really does matter. Of course, all of us are inescapably a product of both genes and environment. But the issue of which factors to emphasize in explaining what is happening to a society is not, finally, a "scientific" question, because the "science" of the matter is utterly crude, to the extent that it exists at all.

Mr. Hernstein and Mr. Murray say that estimates of whether IQ is inheritable range from 40 percent to 80 percent. This is science?

Even if a figure as high as 40 or 60 percent were accurate, that leaves a huge amount of room for environmental factors that can be affected by the conscious choices of individuals and their government.

And all of this begs the question of how important intelligence should be in ordering the rewards that a society offers, as against other virtues such as hard work, risk-taking, loyalty or concern for others.

The Hernstein-Murray book is not a "scientific" book at all but a political argument offered by skilled polemicists aimed at defeating egalitarians. It is gaining attention because social reformers have not done such a good job of it lately and because it is a lot easier to blame somebody else's genes or brain cells than to improve a society.

Mr. Murray's critics should oppose him but resist vituperation, lest they suggest that they are afraid of what he is saying. There is nothing to fear in these stale notions, provided they are understood as such.

What does need to be worried about, and changed, is a political climate so pessimistic that offerings such as these come to be taken as "science."

The Washington Post.

Then Here Were the Kamikazes

By Denis Warner

MELBOURNE — Fiftieth anniversaries that ought to be remembered come up fast these days. In Europe after the D-Day landings, the Allies were fighting their way to the Rhine, while in the Pacific the Americans were about to launch the air offensive on Japan that would soon reduce all major cities, with the exception of Kyoto, to ruins.

The Japanese military was driven to desperation, and so, in October 50 years ago the Special Attack Corps, the kamikazes, was formed.

1944 PACIFIC 1994

A young man named Yukio Seki, who had just been married and was based in the Philippines, was asked to lead the suicide bombing group.

On the night of Oct. 20, the heavy cruiser Australia took up its position in the Leyte Gulf with an impressive array of American and other Allied ships. They were about to make good General Douglas MacArthur's promise to return to the Philippines.

Next morning at first light, there was a radar alert for approaching Japanese aircraft. Lieutenant Commander Richard Peak, the gunnery officer on the Australian cruiser, spotted a plane from the bridge. It was astern, about a mile away and traveling at about 300 feet (90 meters) above the water directly toward the ship.

There was little he could do but sound the alarm and watch in horror as the kamikaze headed straight at them, below the line of fire of the cruiser's guns. Not until the plane was virtually over the stern could the air defense batteries open up.

Meanwhile, the kamikaze pilot used his cannon to rake the Aus-

tralia's upper deck, causing many casualties among the gun crews. When the plane struck, its gasoline tanks exploded, killing dozens of officers and men on the bridge and deck. Lieutenant Commander Peak was badly burned.

That attack was just a foretaste of what was to come. A couple of days later, five Japanese aircraft struck with devastating effect against an American naval force off the coast of Samar Island in the central Philippines, sinking one of the warships and seriously damaging two others.

The kamikaze campaign reached its peak during the battle for Okinawa early in 1945. Records of vessels lost or damaged to kamikaze air attacks are hard to put together, but with careful checking it appears that they sank at least 57 Allied ships and that an additional 107 were permanently disabled. Eighty-five others suffered major structural damage or heavy crew casualties, or both, and at least 221 received lesser damage.

Before the war ended, almost every type of Japanese weapon had been used on suicide missions. Kamikaze fighters attacked U.S. B-29s on their bombing missions over Japan, knocking one out of the sky during the first raid on Tokyo. Japanese suicide boats sank seven Allied ships and damaged an additional 14 in the closing months of the war.

The *oka*, or *baka*, guided bomb first made its appearance off Okinawa, when a Japanese Betty bomber launched Sublieutenant Saburo Dohi, crouched in a rocket-propelled bomb with a warhead carrying some 500 kilograms of

high explosives. The human bomb was released a little more than a mile (about 2 kilometers) from an American destroyer. The crew of the Betty watched as it sped at low altitude toward its target. Soon they saw a huge column of water and black smoke belching from the destroyer. The plume of smoke did not linger long, as the warship sank with heavy loss of life.

The Japanese also unleashed kamikaze torpedoes, or *kaitens*, kamikaze midget submarines and even kamikaze frogmen. Fortunately for the Allies, they made the mistake until just before the war ended — when it was far too late — of using both the torpedoes and midget submarines against well-protected ships at anchor. On the open sea, especially against slow-moving convoys, the *kaitens* could have been devastating.

The Japanese navy and air force lost 3,913 pilots on suicide missions. Of these, the vast majority were trainees, most of them aged 18 to 20. Some were even younger.

Was the kamikaze campaign simply an inhuman waste of life, resources and effort, since it did not achieve its hoped-for result and save Japan from total defeat? Perhaps. But the use of planes and other weapons on spectacular and highly destructive suicide missions created a major psychological shock among Allied forces. Only the United States could have suffered such losses and continued to fight an offensive naval war.

The writer, who covered the war in the Pacific for Australian newspapers, is co-author with Peggy Warner of "The Sacred Warriors, Japan's Suicide Legions." He contributed this comment to the *International Herald Tribune*.

Merit Is Merit, and the Races Do Not Race

By William Safire

WASHINGTON — Back in the '50s, a group of feisty dreamers gathered for breakfast every week in the executive eyrie of the realty tycoon William Zeckendorf. Their dream: to build the world's largest building, with the tallest tower.

Using the air rights over Penn Station, "The Palace of Progress" would not only combine an office building with a merchandise mart, it would contain a "vertical dimension" — television shopping made interac-

tive with telephone ordering, much as we have today.

That was some bunch Mr. Zeckendorf gathered: The lawyer was "Wild Bill" Donovan, fresh from creating the CIA; the industrial showman was Billy Rose; the architect was Charles Luckman, who had transformed Park Avenue with Lever House; the publicist was the legendary Tex McCrary.

As a hotshot press agent, I sat below the salt with an enthusiastic young designer, Leoh Ming, who couldn't sign architectural drawings because he was not yet admitted to the elite club of architects. But in the course of those breakfasts about a building that never was built, the modest Chinese-American impressed all of us as having the finest mind in that high-powered room.

What brings Leoh Ming to mind after all these years is the furor over "The Bell Curve," the book by Charles Murray and Richard J. Hernstein that dares to examine a thesis unhelpful to race relations: the likelihood that much of intelligence is inherited, and the possibility that the average black is not as smart as the average white who is, in turn, not as smart as the average Asian.

Nobody disputes that individuals within each race score higher on IQ tests than do most in other groups. What bothers Mr. Murray's legion of critics is his scholarly contention that public policy should not encourage procreation among the least intelligent, and his gloomy projection that an intelligent elite will soon be running everything from an ivory tower.

Should such an analysis be banned or its author condemned as a bigot? Of course not; we follow inquiry wherever it leads. Instead of denouncing such study as rolling up feelings of black inferiority, it might be helpful to look in what Mr. Mur-

ray says is the other direction — toward the group that scores highest, the Asians.

Does their apparent intellectual superiority constitute a new "yellow peril" to whites? Will the knowledge of test scores, or even hard proof of greater group intelligence, make whites feel inferior to Chinese, Japanese and others with different eyes?

I went back to the Bronx High School of Science recently to help its alumni drum up support for this underfunded public school, which sets a test for entrance and admits students on their merits. In my day, the student body was 98 percent white, about half of them descended from the Jewish mothers. Today the breakdown is two-fifths Asian, one-fifth black and Hispanic, and two-fifths "other" (the euphemism for white).

That is as it should be: Merit is merit. Does this trend mean that people of my skin color are doomed to the middle stratum of group intellect?

The answer is that there ain't no group intellect. Individual motivation and stamina, buttressed by values within the family, join intelligence in determining "superiority." The races are not in a race.

Even if Mr. Murray's thesis is correct, and membership in one group or another gives its members a genetic edge, that is no reason for anyone's acceptance of social inequality. Early reading training may shrink the gaps within and between groups. And the computer, while no leveller, can provide on-line access to creative communities far beyond the dangerous neighborhood.

I ran into Leoh Ming at a black tie fund-raiser the other night. As we embraced, he looked through this media biggie to the hustling flack of long ago, and I looked through I. M. Pei, the great architect who revitalized cities from Washington to Paris, to the young designer who made the most of his chance to use his intelligence.

The New York Times.

Listen to Science

WHAT do biology and genetics have to say about racial differences? First, the human species most likely arose only a hundred thousand years or so ago. Superficial adaptations like skin color can evolve very quickly. Changes in brain structure and capacity take far longer — on the order of hundreds of thousands of years.

Second, genetic diversity among the races is minuscule. Molecular biologists can now examine genes in different geographical populations. What they have found is that the overwhelming majority of the variation observed — more than 85 percent — is among individuals within the same race. Only a tiny residue distinguishes Europeans from Africans, Asians, so, while all men may not be created equal when it comes to cognitive abilities, it would seem that all races are.

Genes encode only a sketchy blueprint of our cortical hardware. Even identical twins have somewhat dissimilar brains at birth, a consequence of the different patterns of stimulation they were exposed to in the womb, which give rise to different neural connections.

The importance of this prenatal "hard-wiring" for a child's future intellectual prospects is only beginning to be appreciated.

—Jim Holt, commenting in *The New York Times*.

BRIDGE

By Alan Truscott

UPSETS abounded in the Rosenblum Open Teams at the NEC World Championships in Albuquerque, New Mexico. In two cases top-ranked American teams were eliminated by lesser-known competitors.

The team headed by Michael Becker lost by 29 imps to John Roberts, George Tornay, Walt Walick and Steve Lapides. And Andy Goodman, with a strong group, lost by 19 to Dan Rotman and his team.

Malcolm Brachman and his team lost by 6 imps to an unheralded Portuguese team, and strong squads from Britain, Iceland, Italy and the Netherlands were also eliminated.

On the diagramed deal from the Rosenblum, South took advantage of a subtle misdefense. A heart was led against three no-trump, dummy played low, and East took the king and shifted to a spade. South won with the king, cashed two club winners and the heart ace, and surrendered a club to West.

It would not have helped East to return a heart at the

second trick for the declarer would have crossed to dummy with a club lead and played a spade. If East ducked, South would have time for clubs, and if not, East would lose his quick entry for hearts.

Dummy pointed out the winning defense: East must refuse to take his heart king at the first trick and is then in control since the king can win the third round of the suit.

NORTH
♠ 5 3
♥ A 3
♦ A J 8
♣ A K 8 7 6 5

EAST (D)
♠ A J 7 8
♥ K 9 8 7 4
♦ K 7 4
♣ 9

SOUTH
♠ K Q 10
♥ Q J 10
♦ Q 10 8 3 2
♣ J 4 2

Both sides were vulnerable. The bidding:
East Pass South Pass North Pass
1 ♠ 1 NT Pass
Pass Pass Pass
Pass Pass Pass
West led the heart six.

SIHANOUK: Prince of Light, Prince of Darkness

By Milton Osborne. 275 pages. \$26. Allen & Unwin.

Reviewed by Derek Parker

WHEN Norodom Sihanouk was crowned king of Cambodia in 1941 at the age of 19, the royal astrologer predicted that he would be a reign of greatness. As it turned out, his rule has been marked by turbulence and conflict, reaching a tragic nadir during the period of Khmer Rouge tyranny from 1975 until the Vietnamese invasion in 1979. Yet through it all, Sihanouk has maintained a special relationship with his people.

Even now, at the age of 71 and in declining health, he remains a key figure in Cambodian politics.

Milton Osborne, formerly an Australian diplomat in Phnom Penh and later a senior intelligence analyst in the Australian government's Office of National Assessments, has written a fascinating book, telling the

complicated story with clarity and occasional humor. He does what a biographer should do: paint in the background, avoid judgments and let the facts speak for themselves.

Osborne traces Sihanouk's progress from a young monarch concerned almost solely with the pursuit of pleasure to the central figure in gaining Cambodia's independence from France. But independence brought new problems, as the country's political institutions were given by factionalism and deadlocks.

Sihanouk's solution was to abdicate in favor of his father. This enabled him to take a direct political role as the head of government and a nationalist political party, although he retained a title that translated as "the prince who has been king."

As Osborne points out, this gave Sihanouk the best of all political options, enabling him to centralize power in himself. But in the long term, it did little to help Cambodians adapt the institutions of Western democracy to their own culture.

For much of Sihanouk's rule,

Cambodia was caught in a geopolitical vice. Suspicious of both the United States and the Soviet Union, he often sought support from China despite his avowed anti-communism.

He realized early that the United States would not win the war in Vietnam and therefore sought to protect his country through limited cooperation with the Communist government of North Vietnam. He was partially successful. Cambodia was not the "oasis of peace" he claimed it to be; but it escaped the worst ravages of the region's

conflicts until the Khmer Rouge emerged.

In conducting the country's foreign relations, Sihanouk was always swayed by personal whims. His warm relationship with the late Kim Il Sung of North Korea was largely based on Kim's willingness to play to Sihanouk's extraordinary vanity.

Above all, he wanted to be taken seriously. His dislike of the United States stemmed from an early brush with John Foster Dulles, who suggested that he visit a circus while in

WHAT THEY'RE READING

• Mario Santinelli, of Barcelona's *El Periódico de Catalunya*, is reading the Spanish translation of "War and Anti-War," by Alvin and Heidi Toffler.

"The raw material of the future is knowledge and future wars will be intimately linked to this world of knowledge. I hope books like this will help politicians develop an outlook that is less rooted in the short term."

(Al Goodman, IHT)

Washington. Sihanouk never forgot the slight.

His personality exacerbated Cambodia's problems in other ways. He saw any criticism as treason and could be ruthless in dealing with his enemies. This drove opponents, including the faction that became the Khmer Rouge, underground. Sihanouk could not understand the nature of the threat posed by the ultra-nationalism and extreme political ideology of the Khmer Rouge. In the late 1960s, when decisive action might have prevented their rise, Sihanouk seemed mainly interested in his hobby of making melodramatic films. He simply failed to comprehend the importance of economic management. Poverty, especially in rural areas, bred the discontent that fed the Khmer Rouge and other dissident movements.

First as a pawn and then as prisoner of the Khmer Rouge, Sihanouk could do nothing to avert Cambodia's catastrophe. He was eventually allowed to go into exile, returning only after the Vietnamese withdrawal in

1989. He immediately plunged into factional politics again.

Is Cambodia fated to reflect the flawed nature of Sihanouk, who is once again the country's king yet is unable still to distinguish form from substance? Osborne implies that it is.

For anyone wanting to understand a complex man in a tumultuous time, this book is essential reading.

Derek Parker, an Australian free-lance writer, wrote this for the *International Herald Tribune*.

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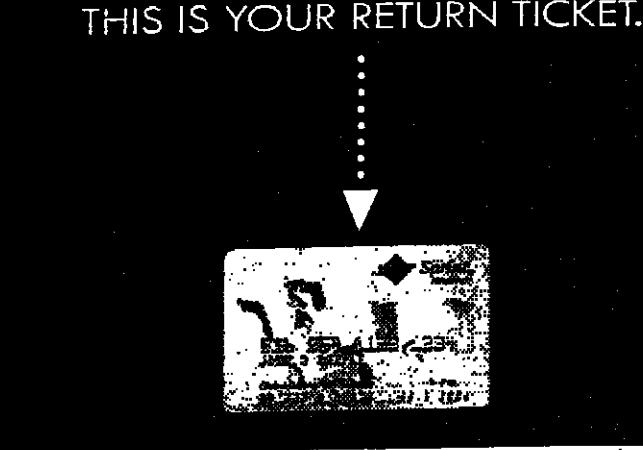
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Culture Clash in Tokyo Dining

By Steven Brill
International Herald Tribune

TOKYO—With eyebrows raised, the fashionably dressed, forty-something woman poked her spoon into the *osé à moelle* and asked, "This isn't pudding, is it?"

As the Taillevent-Robuchon Château Restaurant opened its doors on Wednesday, after five years' preparation, the leading figures of French cuisine who are running the show here have concluded that their biggest challenge is not creating haute cuisine, or serving it in a replica of a 17th-century French chateau, or even educating Japanese about the fine points of French cooking.

Rather, it is getting the Japanese customers and staff to relax in a setting often associated here with something slightly stiff, if not snooty.

"We don't want customers to be uptight, but you have to teach them—that's the trouble," lamented Jean-Claude Vrinat, owner of the Taillevent restaurant in Paris, who has spent the past 10 days trying to soften up the edges and stock up the wine cellars. Even toward the Japanese staff, most of whom have lived and worked in France, there was open, if muted, frustration: "We want them to be more natural but not familiar, to be warm but respectful."

Japanese have long enjoyed French cuisine, which is copious, if expensive, in Tokyo. There is no shortage of technically superb Japanese French chefs, nor cognoscenti whose knowledge is informed by annual pilgrimages to the best restaurants in France.

Instead, what suffers is the ambience. For Japanese, going to a good French restaurant is less a culinary indulgence

than a cultural calling, more a time for propriety than pleasure.

"It's all about status," explained Hideaki Kikuchi, a sommelier at the restaurant XI-Vin Karuzawa, a resort town in the mountains north of Tokyo. "But it gives us a feeling of richness in our hearts."

Vrinat says he will be satisfied if the Japanese can learn to establish a respectful rapport with the sommelier and sit back while eating a masterful meal. To help things along, he has even lowered prices, particularly for wine.

The Japanese owners "were surprised at the low prices I wanted to set for the wines," he said. "Wine should be a pleasure, but they've always believed that high prices mean high quality."

Lunch in the first floor tearoom start at a quite reasonable 3,000 yen (\$30), although dinner in the main dining room on the second floor goes up from 18,000 yen, not including wine.

The high prices do not appear to be a problem, despite the fact that the nation is only beginning to emerge from its longest postwar recession. The dining room is booked through the end of the year.

If Vrinat wants to teach the Japanese the pleasure of French cuisine, his partner Joël Robuchon, a chef who has achieved the status of a cultural icon in France, is more concerned with discipline.

"Silence!" he shouted as the noise level in the kitchen rose to only modest proportions. "Shaberon!" echoed chef Tooru Kawano, translating for those in the 44-person staff of chefs who do not speak French.

Hawklike, Robuchon strutted through the pristine kitchen, chastising mistakes and establishing a disciplined, focused atmosphere. "What's this?" he barked at one chef who had prepared a romaine salad without sufficient romaine lettuce. "Put it back!"

The peach and white chateau, built almost entirely of French materials, serves as the anchor of the Yebisu Garden Place, a \$3 billion commercial development that began in the bubble economy of the late 1980s but has only now reached fruition.

Developed by Sapporo Breweries, Japan's third ranking brewer, the ultramodern complex is connected to the Ebisu train station by a 400-meter-long (435-yard-long) moving sidewalk and includes a 45-story office building, a Mitsukoshi department store, a concert hall, cinema complex and a Westin hotel. It is the largest of several opulent projects begun in the bubble era but only recently completed.

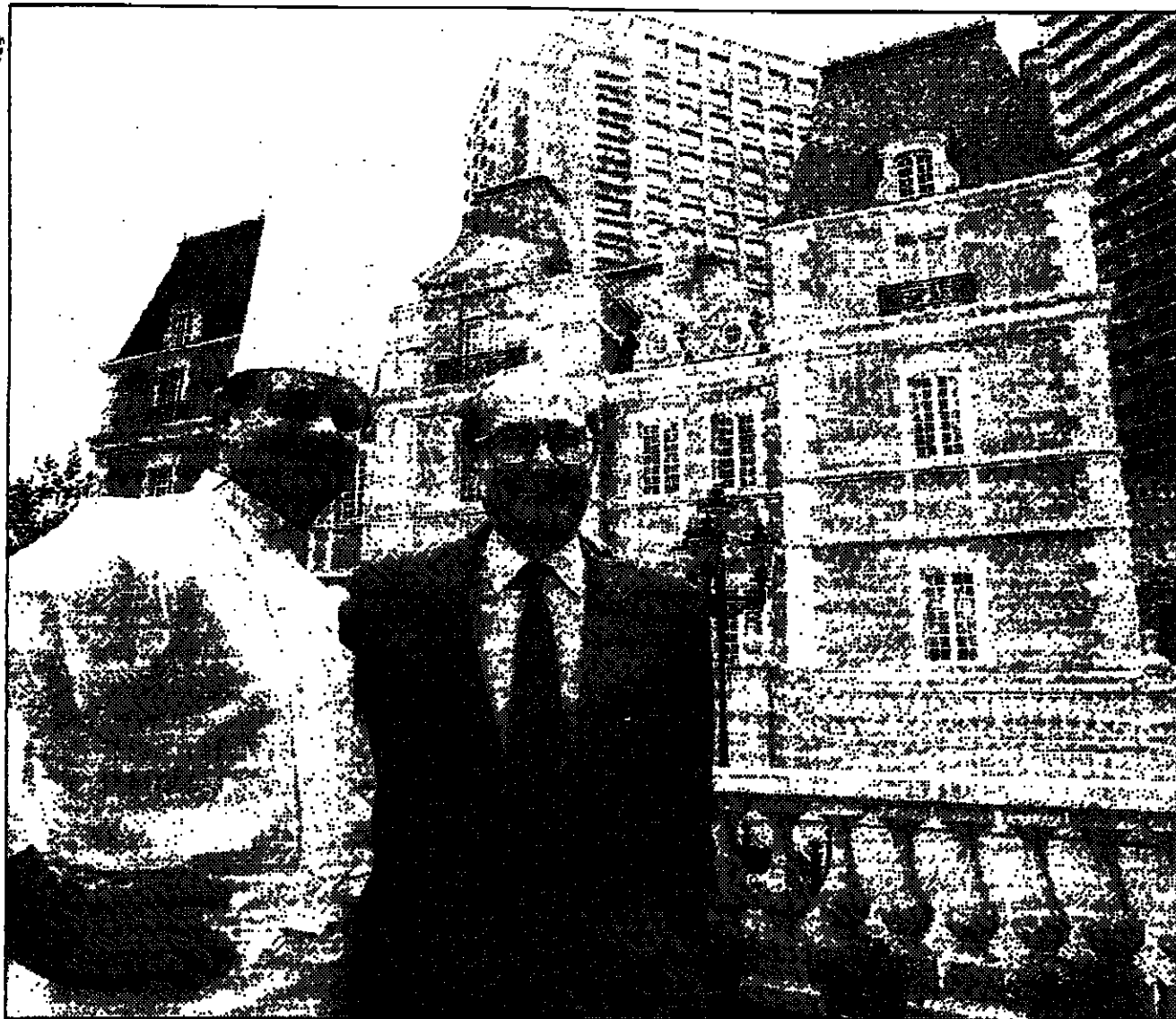
THE chateau, which stands at the foot of a wide promenade, is framed in surrealistic contrast by its austere, modern neighbors and is conspicuous as a symbol of an era of financial excess that began to deflate four years ago. The stones were brought from Chauvigny and the roof tiles from Trélazé. Nothing was questioned as Vrinat and his wife selected interior decorations.

"They were very professional," Vrinat said. "They didn't question our choices."

Still, Vrinat and other French staff members are vaguely uncomfortable about their roles as ambassadors of French culture, if only because the Japanese appear not to grasp fully the significance of the enterprise.

Vrinat, for example, asked Sapporo not to place two statues, one by Rodin and the other by Antoine Bourdelle, in the courtyard in front of the chateau.

"Do people really appreciate the value of these statues, which would attract crowds in a French museum?" he said. "Here, everybody is simply taking snapshots of them."



Joël Robuchon, left, and Jean-Claude Vrinat, in Tokyo to open their Taillevent-Robuchon Château Restaurant.

THE ARTS GUIDE

AUSTRIA

Vienna
Kunsthistorisches Museum, tel: (1) 52177-404, open daily, To Jan. 29: "Egyptomanie: Ägypten und das Abendland." Emphasizes the influence of Egyptian art on 18th- and 19th-century European art and design.

BELGIUM

Bruges
Groeningemuseum, tel: (50) 34-79-59, open daily. Continuing/To Nov. 15: "Hans Memling: Five Centuries of Reality and Fiction."
Brussels
La Monnaie, tel: (2) 218-12-11. Philippe Boesmans' "Reigen." Directed by Luc Bondy, conducted by Patrick Davin with Deborah Raymond, Elisabeth Fournier and François Pottier. Nov. 12, 13, 15, 16, 17 and 18.
Lige
Salle Saint-Georges, tel: (0) 41-21-26-16, open daily, To Jan. 15: "Gauguin: Les XX et la Libre Esthétique." Features 60 paintings, watercolors, drawings, sculptures and ceramics as well as 30 works by other painters participating with Gauguin in the avant-garde exhibitions of "Les XX" and "La Libre Esthétique."

BRITAIN

Cambridge
Fitzwilliam Museum, tel: (223) 332-900, closed Mondays. To Dec. 18: "New York, New York: Prints of the City 1880-1990." Documents the development of the city from the late 19th-century mansions to the skyscraper boom following 1910 and to present-day architecture.

London
Barbican Centre, tel: (71) 638-8891. Oct. 25 to Nov. 20: "Everybody's Shakespeare." Leading theater companies from Germany, Japan, the United States (with Peter Sellers staging "The Merchant of Venice"), Israel and Georgia offer productions of Shakespeare's plays.

British Museum, tel: (71) 580-1788, open daily, To Jan. 16: "Japanese Imperial Craftsmen from the West." Metalwork, enamels and lacquerware of the Meiji period. Also, to Jan. 8: "Pre-Raphaelite Drawings." 120 drawings from the museum's collection, including works by Dante Gabriel Rossetti, John Millais and William Holman-Hunt.

Design Museum, tel: (71) 403-6933, open daily, April 23: "It's Plastic!" Plastics in all their forms and functions: medicine, fashion, communications, science and everyday life.

National Gallery, tel: (71) 389-1785, open daily, To Jan. 15: "Making and Meaning: The Young Michelangelo." Traces Michelangelo's development from his apprenticeship in the studio of the Ghirlandajo brothers, with two unfinished panel paintings, "The Manchester Madonna" and "The Entombment." Also includes early drawings and sculptures.

Royal Academy of Arts, tel: (71) 494-5615, open daily. Continuing/To Dec. 14: "The Glory of Venice." Tate Gallery, tel: (71) 887-8000, open daily, To Jan. 8: "James McNeill Whistler." 75 paintings and 120 works on paper emphasize particular themes: the Nocturnes, his works as a designer, the pastels and the full-length portraits.

CANADA

Montreal
Canadian Centre for Architecture, tel: (514) 939-7026, closed Mondays and Tuesdays. To Jan. 8: "Urban Revisions: Current Projects for the Public Realm." An examination of the physical and social space of the contemporary city, as envisioned by architects, urban designers and planners.

Museum of Fine Arts, tel: (514) 295-1600, closed Mondays. To Nov. 27: "Mark Tansey: A Retrospective." 25 large oil paintings of landscapes, interiors and figures from 1979 to 1992. The paintings often include disguised portraits and hidden images, or texts by theorists such as Barthes and Derrida.

DENMARK

Copenhagen
Statens Museum for Kunst, tel: 33-91-21-26, closed Mondays. To Jan. 8: "Johannes Rump: Portrait of a Collector." Features 100 paintings and 125 works on paper from the French art collection donated in 1928 by Johannes Rump. Includes works by Matisse, Derain, Modigliani, Picasso, Gris, Braque, Maillol and Laurens.

FRANCE

Paris
Bibliothèque Nationale, tel: (1) 47-03-81-26, open daily, To Jan. 4: "Wagner: Le Ring en Images." More than 300 manuscripts, scores, portraits, photographs, costumes and accessories, as well as stage models documenting the representation of Wagner's "Ring" since the beginning of the Bayreuth festival.
Grand Palais, tel: 44-13-17-17, closed Tuesdays. Continuing/To Jan. 9: "Gustave Caillebotte, 1848-1894." Also, to Jan. 2: "Nicolas Poussin."

Hôtel de la Monnaie, tel: 40-45-56-66, closed Mondays. To Jan. 8: "Voltaire et l'Europe." A celebration of the 300th anniversary of the birth of Voltaire, with more than 280 paintings, engravings, sculptures, manuscripts and art objects documenting Voltaire's life abroad and in exile, and his philosophy and ethics.

Musée du Louvre, tel: (1) 40-20-53-17, closed Tuesdays. To Jan. 18: "Autour de Poussin." Documents the influence of Poussin on his contemporaries. Features 5 paintings by the 17th-century painter, and 25 works by lesser-known painters such as Bourdon and Lebrun.

GERMANY

Nuremberg
Germanisches National Museum, tel: (911) 13-31-0, closed Mondays. To Nov. 6: "Out and Thrust: Contemporary Leipzig Artists." 95 graphic and sculptural works by contemporary artists living in Leipzig.
Stuttgart
Staatstheater, tel: (711) 503-20, closed Mondays. To Jan. 14: "Sirenen." Directed by Christoph Nel, conducted by Bernhard Kontarsky. Nov. 3, 7 and 15.

ITALY

Rome
Palazzo Ruspoli, tel: (6) 683-21-77, open daily, To Feb. 19: "Nietzsche: Light of Egypt." A commemorative of the discovery of Nietzsche's tomb in 1904, and a tribute to Nietzsche's favorite wife. Features 130 objects, including amulets, funerary statues, jewelry, and the queen's sandals.

JAPAN

Tokyo
National Museum of Western Art, tel: (3) 3828-5131, closed Mondays. To Dec. 24: "The Unknown Modigliani." Drawings by Italian artist Amedeo Modigliani from 1906 to 1924, until now the most obscure period in his life.

NETHERLANDS

Amsterdam
De Nederlandse Opera, tel: (20) 551-8922. Louis Andriessen's "Rosa," based on a Peter Greenaway scenario. Conducted by Rainer de Leeuw, with London Theatre, Marie Angel, Miranda van Kralingen. Nov. 2 (world premiere), 5, 8, 11, 14, 17, 20, 22, 25 and 28.

SINGAPORE
National Museum, tel: 332-3656, closed Mondays. To April 30: "Yuan and Ming: Life in the City." Exhibits from the Song, Yuan and Ming dynasties from 960 to 1644 give glimpses of the vibrant life in towns and cities of the period.

SPAIN

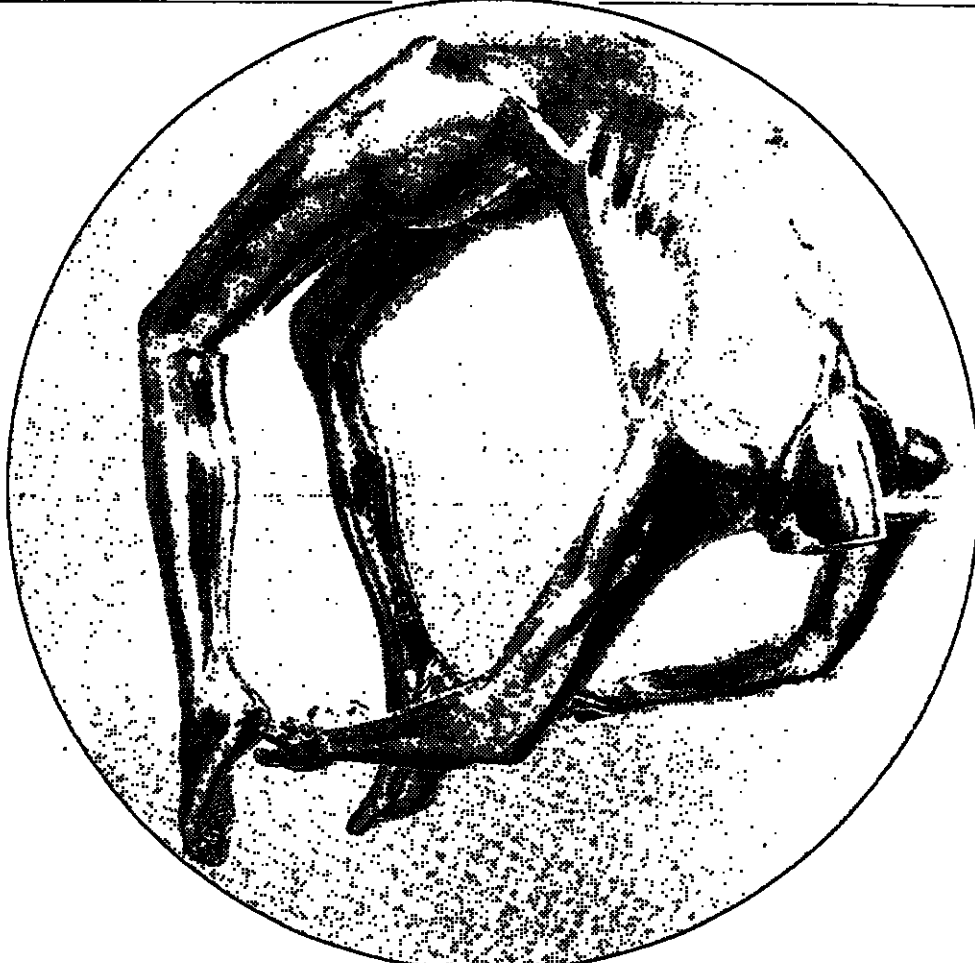
Madrid
Museo Nacional Centro de Arte Reina Sofia, tel: (91) 467-5662, closed Tuesdays. To Nov. 21: "Franz Kline." 50 works spanning the period from 1947 to the early '60s by the American Abstract Expressionist.

UNITED STATES

Atlanta
High Museum of Art, tel: (404) 577-6940, closed Sundays. To Jan. 14: "Workers, An Archaeology of the Industrial Age: Photographs by Sebastião Salgado." 200 black-and-white images drawn from the Brazilian photographer's epic study of manual labor throughout the world.

Los Angeles
County Museum of Art, tel: (213) 621-2766, closed Mondays. To Jan. 8: "Richard Wilson." Two installations by the young British sculptor. "20:50" is a room filled with used sump oil, and the visitors walk on a walkway above the flawless and reflective surface; the other installation consists of a single pyramidal skylight soaring to 60 feet. Anchored upside down, there is a blue fiber-glass swimming pool complete with steps and diving board.

Malibu
J. Paul Getty Museum, tel: (310) 459-7611, closed Mondays. To Jan. 15, 1995: "A Passion for Antiquities: Ancient Art from the Collection of Barbara and Lawrence Fleischman." 200 objects from ancient Greece, Rome and Etruria dating from 2800 B.C. to A.D. 400 — sculptures in marble and bronze; vessels in bronze, silver, terra-cotta and glass; frescoes, and gold jewelry.



Louise Bourgeois's "Arch of Hysteria," at the Corcoran Gallery in Washington.

New York
Jewish Museum, tel: (212) 423-3270, closed Saturdays. To Jan. 25: "Mario Cavaglieri: The Glistening Years 1912-1922." More than 30 paintings by the Italian landscape and portrait painter.

Museum of Modern Art, tel: (212) 709-9400. To Jan. 3: "American Politicians." Examines how photography has illustrated and affected

American politics. Features 150 photographs, mostly of elected figures.

Philadelphia
Philadelphia Museum of Art, tel: (215) 715-6475. To Nov. 20: "Japanese Design: A Survey Since 1950." More than 250 objects including furniture, electronics, toys, fashion photography and textiles will be on view. Designed by the Japanese architect Kisho Kurokawa.

Washington
Corcoran Gallery of Art, tel: (202) 638-3211, closed Tuesdays. To Jan. 2: "Louise Bourgeois: The Locus of Memory: Works 1982-1993." 27 sculptures and 30 drawings in watercolor, charcoal, pencil, and oil from 1982 to the present time illustrate the themes which have long obsessed the American artist: gender, sexuality and the rights to freedom and individuality.

CLOSING SOON

On Oct. 23: "Greek Gold: Jewellery of the Classical World." British Museum, London.

On Oct. 23: "From Van Gogh to Gerhard Richter: Major Works from the Museum Folowang Collection in Essen." Louisiana Museum of Modern Art, Humlebaek, Denmark.

On Oct. 23: "Wilhelm Leibl: Zum 150. Geburtstag." Westfälisch-Lippstadt-Museum, Cologne.

On Oct. 23: "The Utrecht Way, 1495-1995." Centraal Museum, Utrecht, The Netherlands.

On Oct. 23: "Christian Dior: The Magic of Fashion." Powerhouse Museum, Sydney.

On Oct. 23: "Elizabeth I to Elizabeth II: Master Drawings from the National Portrait Gallery." National Portrait Gallery, London.

On Oct. 23: "Flemish of Rebirth: Czech Art from 1550 to 1963." The Municipal Library, Prague.

On Oct. 24: "Vivienne Westwood." Stedelijk Museum de Lakenhal, Leiden, Netherlands.

Herald Tribune

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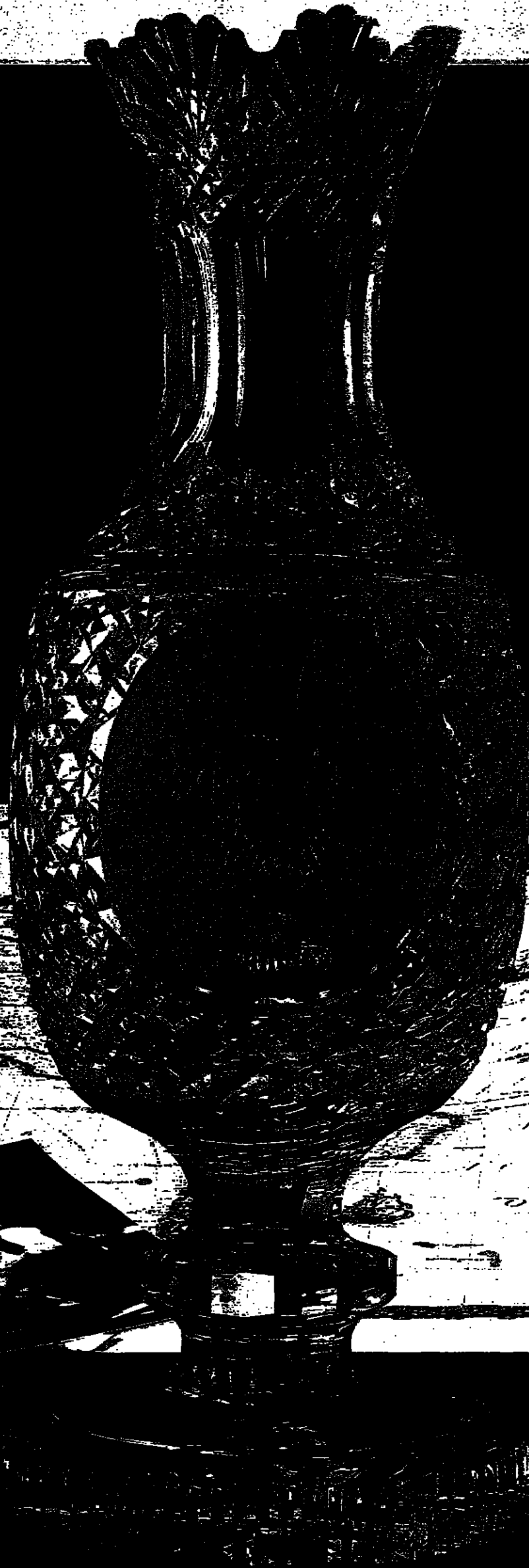
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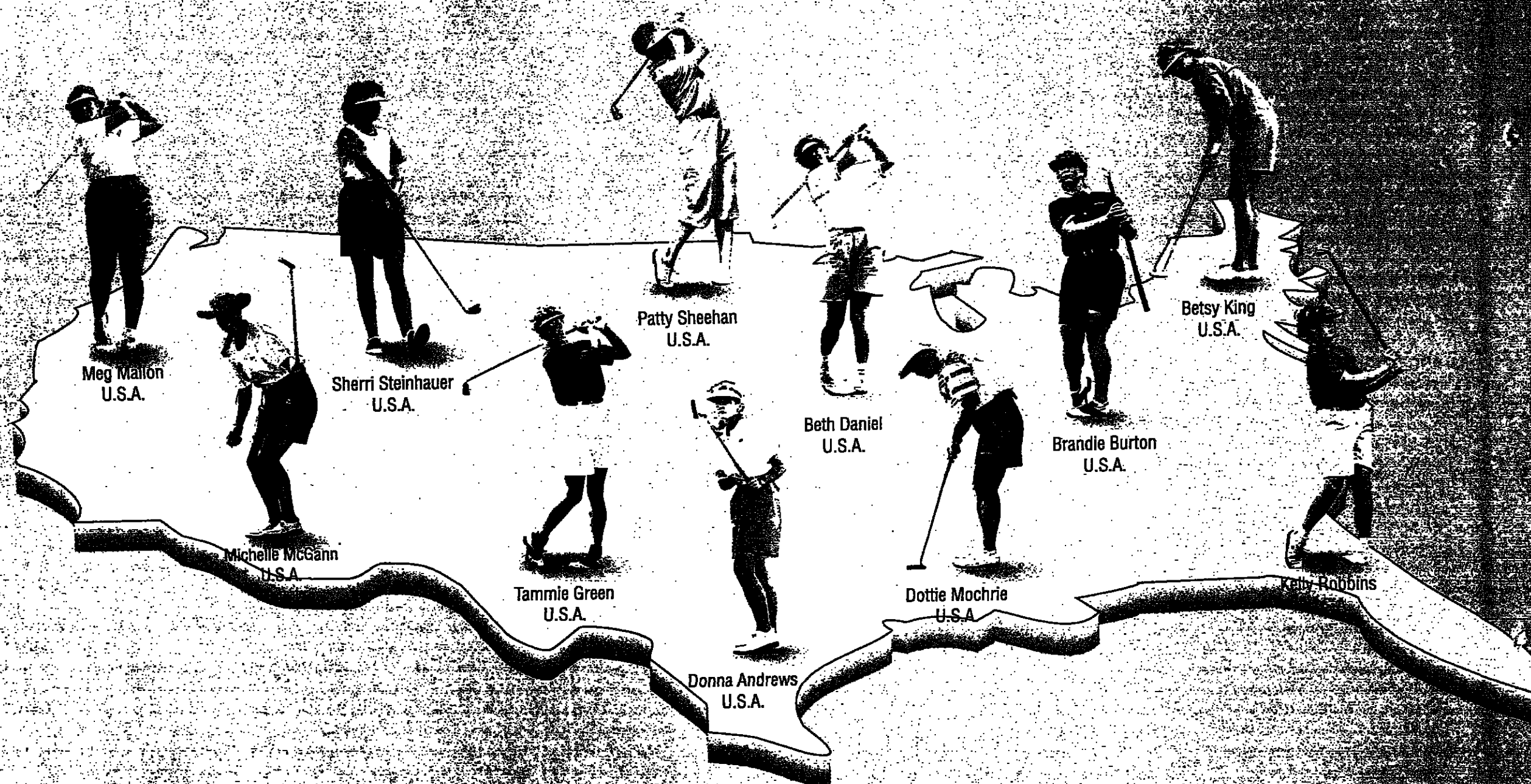
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Sunday, October 23
Singles Matches — NBC-TV Live, 1-3 p.m. EDT

NBC-TV delayed broadcast some markets 4-6 p.m. (Sunday only)



JoAnne Garner
U.S.A.
Captain

Hole	Par
1	4
2	4
3	5
4	3
5	5
6	4
7	3
8	5
9	3

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ON THEIR BEST

Greenbrier
1994



EUROPE

BY HOLE

Hole	Par	Yards
10	4	339
11	3	140
12	5	510
13	4	384
14	4	305
15	4	426
16	4	397
17	3	160
18	5	554
Total	72	6,330



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THE SOLHEIM CUP

The Story Behind the Tradition

Good ideas have a way of becoming reality. A match between the United States' finest women professional golfers versus their European counterparts had long been considered. Representatives from both sides of the Atlantic were strongly in favor of a Ryder Cup-type event to highlight the world's top women professionals. The idea only needed a push.

Enter the Karsten Solheim family. As the manufacturer of **PING** golf equipment, Karsten and his company were long-time supporters of women's professional golf, dating back to the early 1970's. They were enthusiastic about the idea of an international match. So much so that in 1990, they agreed to sponsor an event to be known as the Solheim Cup. The match between the Ladies Professional Golf Association (LPGA) and the Women Professional Golfers' European Tour (WPGET) would be held every two years and alternate between the United States and Europe. No prize money would be at stake. The participants would play only for national pride.

With little time to prepare, organizers set late November of that year to hold the inaugural event at Lake Nona Golf Club in Orlando, Florida. As hosts of the historic first event, the United States team proved anything but gracious on the golf course, handily downing the young European team

by an 11½ - 4½ score. Few were surprised at the lopsided outcome, but it didn't deter the Europeans from looking ahead to their opportunity to host the event in 1992. "We're a young team," said Laura Davies. "We can only get better."

Most accepted Davies' comments as youthful thinking — the proper thing to say following a defeat at the hands of a team that, were it assembled today, would include three LPGA Hall-of-Famers and two waiting just outside. Fewer remembered her quote two years later when Edinburgh, Scotland's Dalmahoy Hotel Golf & Country Club welcomed the event to the country recognized as the "home of golf." In between bites of haggis, experts once again installed the U.S.

team as overwhelming favorites. The European team, captained by Mickey Walker and led by the powerful Davies, paid little heed. When the sand settled (and it stopped raining), it was the Europeans hugging the Waterford Crystal trophy and singing the Solheim Cup victory song ("We'll really shake 'em up, when we win the Solheim Cup..."). Not only had the Europeans won the event, they had sent the U.S. team a clear message. It read: Europe 11½, United States 6½. "It's the most incredible achievement," said Captain Walker. "I don't think anyone envisioned this. We went out and beat the best players in golf, and beat them totally."

All of which brings us to The Greenbrier in White Sulphur Springs, West Virginia for the third

match. The 5-star resort will shine even brighter when it opens its doors to a gathering of golf's finest women professionals. Both teams come in highly determined and motivated, not to mention being deep in talent. The Americans, captained by LPGA Hall-of-Famer JoAnne Carner, will return six players from the '92 list, led by Betsy King. Walker returns to the helm of a crew that features eight players from the class of '92. Her team will rely heavily on Davies, the world's number one player, for inspiration.

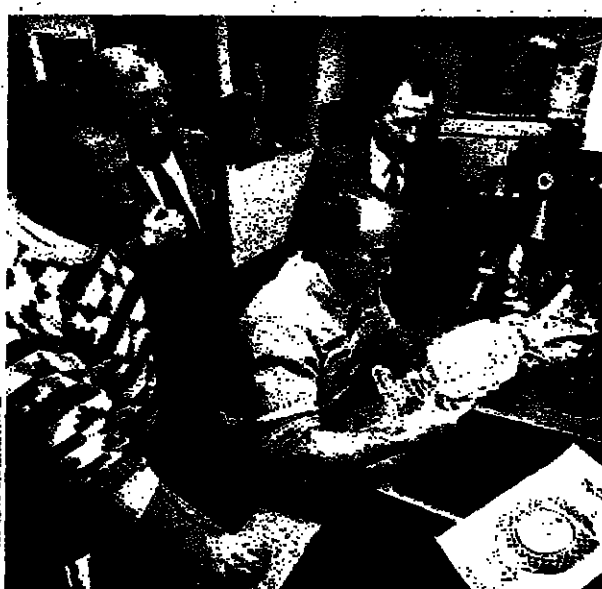
"We expect it to be a spirited and healthy competition," says Karsten Solheim. "We're looking forward to it."



Louise and Karsten Solheim



The U.S. team celebrates their 1990 victory at Lake Nona Golf Club.



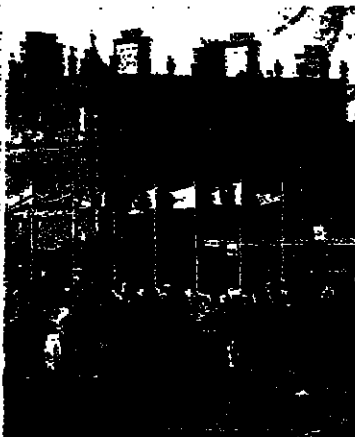
The Waterford artisans and executives admire the Solheim Cup.



The Greenbrier, known as America's resort, will be the international attention when it hosts the Solheim Cup.



Karsten Solheim, Mickey Walker and Karsten U.K. Managing Director Roy Freeman were all smiles in 1992.



Solheim Cup trophy Hotel Golf & Country Club, a picturesque backdrop to the 1992 event.



LPGA Hall of Famers JoAnne Carner and Betsy King teamed up in 1990.



The U.S. team, captained by JoAnne Carner (right), hopes to wrestle the Cup from the Europeans and Captain Mickey Walker.



Captain Kathy Whitworth accepts the Solheim Cup from Karsten, John and Allan Solheim at the inaugural.

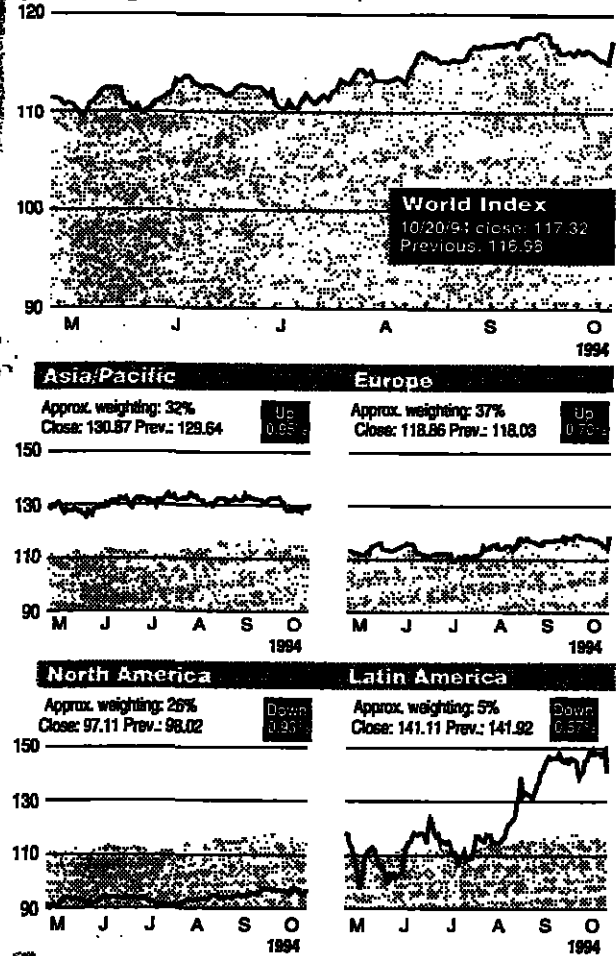


Europe surprised the golf world with its 1992 victory in the anticipated match in 1992.



THE TRIB INDEX: 117.32

International Herald Tribune World Stock Index, composed of 290 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top issues are tracked.

Industrial Sectors	This close	Prev. close	% change
Energy	114.70	114.80	-0.09
Utilities	128.74	128.04	+0.55
Finance	118.10	117.09	+0.86
Services	120.21	120.25	-0.03
Capital Goods	119.09	119.47	-0.32
Raw Materials	138.24	137.80	+0.32
Consumer Goods	106.05	106.04	+0.01
Miscellaneous	125.98	124.38	+1.30

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

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Prudential Fills Its Top Post

Arthur F. Ryan To Lead Insurer

Bloomberg Business News
NEWARK, New Jersey — Prudential Insurance Co. of America broke with tradition Thursday to elect Arthur F. Ryan, president and chief operating officer of Chase Manhattan Bank, as its new chairman.

Mr. Ryan, 52, will join the largest U.S. life insurer on Nov. 1 and succeed Robert C. Winters, 62, as chairman and chief executive officer on Dec. 1.

The appointment marks the first time in the company's 119-year history that it has not selected its chairman from among its own ranks and comes a week after its brokerage unit reached an agreement with U.S. prosecutors to avoid a criminal indictment in a scandal involving limited partnership sales.

Prudential Securities Inc. has agreed to pay almost \$700 million in fines and reimbursements to customers bilked in the fraudulent partnerships.

The departure of Mr. Ryan is a significant loss for Chase Manhattan. Mr. Ryan is credited on Wall Street with having successfully reorganized Chase, both by improving its retail branch network and by selling problem assets.

The board decided it would rather break with tradition than give the job to Vice Chairman Garnett Keith, who turns 59 on Nov. 27. If Mr. Keith had taken the job, he would have been the oldest executive to assume the relatively new title of chairman of Prudential, which insures one of every five Americans.

Mr. Ryan has held his titles at Chase Manhattan since 1990. In that time, the six-largest U.S. bank has seen its earnings rebound from a loss in 1990 to earnings of \$966 million in 1993 and \$995 million for the first nine months of 1994.

Issue of EC Access Complicates Asia's Free-Trade Efforts

By Michael Richardson

International Herald Tribune

JAKARTA — As pressure increases for new measures to liberalize trade in Asia and the Pacific, countries in the region are divided over how to structure a free-trade arrangement in relation to Europe.

Most want any lowering of tariff and nontariff barriers to be on a nondiscriminatory basis so that the benefits would be available to all nations, not just members of APEC, the Asia-Pacific Economic Cooperation forum.

In an interview Thursday, Ali Alatas, Indonesia's foreign minister, said he thought that "the overwhelming view" among APEC countries was that "the operating principle of APEC must remain open regionalism."

This would preclude moving "toward anything that would even be a semblance of a closed shop or a closed trading bloc," he said.

However, some APEC countries — including the United States, Australia, Singapore and South Korea — want access to a giant Pacific free-trade area to be made conditional, at least for European countries, officials and analysts said.

Such a move would force the European Union to make equivalent cuts in import barriers if it wanted free access for its exports to fast-growing APEC economies that already account for 50 percent of global production and 40 percent of the world's trade.

The issue, which is regarded as highly sensitive by trade policymakers in Europe and elsewhere, will be discussed at a meeting in Indonesia next month of leaders of the 18 APEC countries.

On a recent visit to Australia, Peter Sutherland, the director-general of GATT, the General Agreement on Tariffs and Trade which supervises the global trading system, warned that it would be "extremely dangerous" if APEC adopted any regional trading arrangements that discriminated against nonmembers.

He made it clear that such a move could provide impetus for

See TRADE, Page 13

Cost-Cutting Takes IBM Back to 3d-Quarter Profit

By Lawrence Malkin

International Herald Tribune

NEW YORK — Riding the worldwide recovery and profiting from its own cost-cutting, International Business Machines Corp. said Thursday that last year's third-quarter loss had turned into higher-than-expected profit this year.

But the world's largest computer company still trailed the growth rate of other companies in America's most sparkling industry. IBM Chairman Louis V. Gerstner Jr. said it still had "a lot of work to do" in some of the company's sluggish sectors.

Net income in the quarter was \$689 million, or \$1.18 a share, compared with last year's loss of \$87 million.

Stock analysts issued buy recommendations, and Moody's Investors Services Inc. upgraded IBM's short-term debt as a sign that Wall Street thinks the company is at last coming out of the woods. IBM shares lost 50 cents to \$74.875 on the New York Stock Exchange.

The IBM story is a combination of cutting huge overhead costs, which had accumulated in its entrenched corporate culture, and a strong economy, which is buying time for other wounded giants such as General Motors Corp. to reorganize and redirect themselves.

"Why shouldn't corporate profits sparkle when the world economy is sparkling?" said Allen Sinai of Lehman Brothers. "When revenues go up and costs go down, it's bound to hit the bottom line."

Having cut costs by \$5.6 billion since the end of 1992, IBM Bankers Trust says earnings fell 45 percent. Page 12.

executives now have to redirect the company to catch up to the rest of the industry.

"It certainly is a more respectable company than it was a year ago," said David Wu of S.G. Warburg, a former IBM executive. But it now has to rebuild its principal problem areas. He listed those areas as low-level software, bad disk drives and a misdirected personal computer division that has had four bosses in six years.

Revenue comparisons indicate that so far Mr. Gerstner and his team — not all of them trained in the swiftly evolving computer industry — can keep up with the race.

While IBM's third-quarter revenue rose 8.6 percent, revenue in the semiconductor business increased 30 percent, said William J. Milton of Brown Brothers Harriman. "So I can't get too excited by 8 percent growth," he said.

Mr. Milton said that revenue at rival Compaq Computer Corp., which focuses on personal computers, rose 63 percent, while IBM's personal computer business increased only 15 percent.

And in the second quarter, while the revenue of the 14 largest U.S. computer companies grew by 9 percent, the revenue of IBM, representing almost half of the total, grew only 2 percent while the rest rose 14.4 percent.

IBM also reported that demand for its mainframes, the dinosaurs of the computer business, actually outstripped supply last quarter. "But that is hardly a growth business," said Mr. Milton, and overall, mainframe sales are probably down 15 percent this year.

AT&T Posts a 3% Gain

AT&T Corp. said third-quarter net income rose nearly 3 percent, to \$1.05 billion, partly because of an increase in sales of equipment to phone companies, news agencies reported from New York.

Revenue rose 8 percent to \$18.6 billion from \$17.2 billion. Results reflected the \$11.5 billion acquisition of McCaw Cellular Communications Inc. in September.

Excluding the McCaw merger, AT&T's net income would have risen to \$1.19 billion.

GM Posts a Profit Despite Loss in North America

Compiled by Our Staff From Dispatches

DETROIT — General Motors Corp., benefiting from a recovery in the vehicle market, announced Thursday a profit of \$552 million for the third quarter, but its North American automotive operations continued to lose money, and Wall Street was disappointed.

The company's stock fell \$3.75 to \$43.125. Analysts had expected GM to report a profit

in the range of \$620 million to \$650 million.

The world's largest automaker said its profit, which followed a \$113 million loss a year earlier, came on strong revenue of \$34.5 billion, up from \$30.1 billion.

GM's North American auto business, which recorded a loss of \$328 million, trimmed its deficit from the \$1.1 billion it lost in the 1993 quarter.

The company's international vehicle business was less profitable than last year, as earnings fell to \$240 million from \$403 million.

Unlike previous years, when GM's profit came solely from strong international operations and nonautomotive subsidiaries such as GM Hughes Electronics, Electronic Data Systems Corp. and General Motors Acceptance Corp., analysts say GM's core North American

automotive operations should end the year in the black.

"The market remains strong in North America, and it's important to note that GM's market share increased in both the third quarter of 1994 and the 1994 model year compared with the previous year, despite intense competition and capacity constraints," said John Smith Jr., president of the company.

(Reuters, AP)

Latin Slump for Chrysler

Chrysler Corp.'s international retail sales fell 3 percent in the third quarter, mainly because of a decline in Latin American business, Bloomberg Business News reported.

Latin sales slumped 29 percent, and Chrysler said various depressed markets in the region had accounted for the decline. Sales in Europe, Chrysler's largest international market, fell 5 percent.

Thinking Ahead / Commentary

The Days of 'Frontier Justice' Are Over

By Reginald Dale

International Herald Tribune

WASHINGTON — Now that new, improved rules have been agreed for the world trading system, many of them at U.S. behest, the time has come for America to stop trying to impose what its critics call "frontier justice" on its trading partners.

Logically, the birth next year of the World Trade Organization should mark the end of the 10-year-old policy of so-called aggressive unilateralism, in which Washington appointed itself as judge, jury and executioner in trade disputes.

Washington will no longer have the excuse that the multilateral rules aren't working or that it needs to prod negotiations forward. On the contrary, the revamped rules that emerged at the end of the Uruguay Round last December go a long way to meet past American complaints. It is in the U.S. interest that they be respected.

As an exhaustive new study by the Institute for International Economics rightly points out, if the United States undermines the WTO's authority by flouting those rules, it will jeopardize all the economic achievements it fought so hard to obtain in the seven years of the Uruguay Round negotiations.

Anyway, as the study also concludes, America's unilateral trade weapons are becoming increasingly obsolete.

The Clinton administration seems to have grasped these points. But for now it

is still trying to have things both ways — urging Congress to ratify the new rules and at the same time reassuring the doubters that the United States is still free to act unilaterally.

In a narrow sense that may be true, but unilateral action under the new rules will carry a much higher price both economically and politically. The United States will face a greater risk of foreign retaliation.

America's unilateral trade weapons are becoming increasingly obsolete.

tion and, as the IIE study puts it, "further erosion in America's already weakened leadership." U.S. demands are more likely to be ignored.

There has been one encouraging straw in the wind. That was Washington's decision at the end of last month not to use its most provocative trade weapon — the so-called Super 301 provision of U.S. trade law — in its dispute over auto parts with Japan.

To the rest of the world, Super 301, which requires the administration to name priority "unfair" trade practices, is the prime symbol of the "frontier justice" approach.

It is also, in the study's words, unnecessary and counterproductive. Other countries are insulted by it but are no

longer afraid of it. The study concludes that it is no more effective than the regular provisions of Section 301, which the administration chose to invoke against Japan instead.

But none of the Section 301 provisions are all they are cracked up to be. The study finds that the legislation, which provides the basis for U.S. unilateral action, "has been neither as powerful a market-opening crowbar as its supporters assert nor the unmitigated disaster for the global trading system that critics feared."

It may have increased U.S. exports by about 1 percent a year — only a fraction of the boost expected from the Uruguay Round — and even this success is unlikely to be repeated.

Many potential target countries, including Japan, Korea and Taiwan, are now less dependent on the U.S. market — and thus less vulnerable to sanctions. Negotiations have eliminated many of the barriers most easily removed by unilateral U.S. action.

That's all the more reason the United States should in the future bring its complaints to the WTO and work to make the new multilateral dispute procedures effective. Other countries accepted those rules on the understanding they would apply to the United States too.

The time for trying to have it both ways is over. As the IIE study puts it, "If the United States is to maintain its leadership of the international trading system, it must play by the same fair trade rules it demands of others."

CURRENCY & INTEREST RATES

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MARKET DIARY

Fears of Inflation Undercut Stocks

Bloomberg Business News
NEW YORK — U.S. stocks weakened Thursday amid concerns that the economy's growth had not slowed enough to forestall another interest-rate increase by the Federal Reserve. A slump in General Motors shares fueled the decline.

"Everyone's fearful about the Fed tightening," said Nola

U.S. Stocks

Maddox Falcone, president of Evergreen Asset Management Corp.

The Dow Jones industrial average, off as much as 41.38 points, closed at 3,911.15, down 24.89. The drop erased most of the 25.57-point gain accumulated so far this week.

Declining stocks outnumbered advances by more than 2-to-1 on the New York Stock Exchange, where about 326.11 million shares changed hands from 317.04 million Wednesday.

General Motors accounted for almost half the decline in the index. Shares of GM slipped 3 1/4 to 43 1/2 after the company reported earnings for

the third quarter below most analysts' estimates.

Stocks began to fall as a series of economic reports raised the prospect of accelerating inflation, notably a report that housing starts had grown 4.4 percent to the highest level of the year, and pushed yields on 30-year Treasury bonds up to 7.99 percent from 7.89 percent.

The threat of higher rates clouded better-than-expected earnings at several major companies, including International Business Machines, Microsoft and AT&T.

"It's one of those good news, bad news days," said Hugh Johnson, chief investment strategist at First Albany Co. "There's a continued battle in the trenches between better earnings and worries about a strong economy."

Shares of Alcoa climbed 1 1/2 to 90 1/4 as the price of aluminum set a four-year high amid growing industrial demand and falling stockpiles.

Gold stocks, a traditional hedge against inflation, were among the biggest advances. The S&P gold index of five stocks climbed 4.55 points to 249.97.

Rockwell Makes Bid To Acquire Reliance

Bloomberg Business News

SEAL BEACH, California — Rockwell International Corp. said Thursday it would launch a \$1.5 billion tender offer for Reliance Electric Co., topping General Signal Corp.'s \$1.4 billion agreement to buy the maker of industrial equipment.

The cash offer, equivalent to \$30 a share, is an attempt by Rockwell to diversify away from its roots in the defense industry and build up its electronics and industrial-equipment businesses, Rockwell said it would begin the offer Friday.

In a letter sent to Reliance Thursday morning, Rockwell's chairman, Donald Beall, said his company planned to combine Reliance with its industrial-equipment unit, Allen-Bradley, to form a subsidiary with estimated 1994 revenue of about \$3.5 billion. In 1993, Rockwell had sales of \$10.8 billion.

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05 437 437

"We have concluded that the strategic and financial advantages of combining our two companies are too compelling to ignore," Mr. Beall said in the letter to Virgil Sherrill, Reliance's chairman, and John Morley, Reliance's chief executive officer and president.

Analysts said the combination of Rockwell and Reliance makes sense. Rockwell's Allen-Bradley unit, which makes computer controls for industrial equipment, would benefit from Reliance's industrial motors and drives operations, said Peter Asensio, an analyst at CS First Boston.

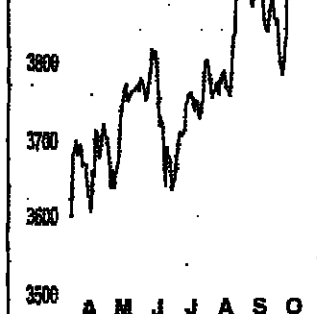
"We think it's a very good fit," Mr. Asensio said. "They could virtually offer one-stop shopping, making them a good competitor with Siemens of Germany, which already makes both controllers and motors."

Reliance shares were up \$5.25 to close at \$29.75 in trading on the New York Stock Exchange. Rockwell shares lost 37.5 cents to close at \$36, while General Signal stock rose \$1.25 a share to close at \$35.625.

The Dow

Daily closings of the Dow Jones industrial average

400



AM J J A S O 1994

NYSE Most Actives

Vol.	High	Low	Last	Chg.
General Motors	43 1/2	43 1/8	43 1/2	-3/4
Alcoa	90 1/4	89 3/4	90 1/4	+1 1/2
IBM	115 1/2	115 1/8	115 1/2	-1/4
Microsoft	105 1/2	105 1/8	105 1/2	-1/4
AT&T	26 1/2	26 1/8	26 1/2	-1/4
Goldman Sachs	249 9/16	249 1/2	249 9/16	+1/16
Reliance Electric	29 7/8	29 1/2	29 7/8	+5/8
Rockwell International	36 1/8	35 3/4	36 1/8	+1/8
General Signal	35 6/8	35 1/4	35 6/8	+1/8
IBM	115 1/2	115 1/8	115 1/2	-1/4

NASDAQ Most Actives

Vol.	High	Low	Last	Chg.
Microsoft	105 1/2	105 1/8	105 1/2	-1/4
IBM	115 1/2	115 1/8	115 1/2	-1/4
General Motors	43 1/2	43 1/8	43 1/2	-3/4
Alcoa	90 1/4	89 3/4	90 1/4	+1 1/2
AT&T	26 1/2	26 1/8	26 1/2	-1/4
Goldman Sachs	249 9/16	249 1/2	249 9/16	+1/16
Reliance Electric	29 7/8	29 1/2	29 7/8	+5/8
Rockwell International	36 1/8	35 3/4	36 1/8	+1/8
General Signal	35 6/8	35 1/4	35 6/8	+1/8
IBM	115 1/2	115 1/8	115 1/2	-1/4

AMEX Most Actives

Vol.	High	Low	Last	Chg.
General Motors	43 1/2	43 1/8	43 1/2	-3/4
Alcoa	90 1/4	89 3/4	90 1/4	+1 1/2
IBM	115 1/2	115 1/8	115 1/2	-1/4
Microsoft	105 1/2	105 1/8	105 1/2	-1/4
AT&T	26 1/2	26 1/8	26 1/2	-1/4
Goldman Sachs	249 9/16	249 1/2	249 9/16	+1/16
Reliance Electric	29 7/8	29 1/2	29 7/8	+5/8
Rockwell International	36 1/8	35 3/4	36 1/8	+1/8
General Signal	35 6/8	35 1/4	35 6/8	+1/8
IBM	115 1/2	115 1/8	115 1/2	-1/4

Market Sales

NYSE	326.11	380.15
Amex	19.36	27.93
Nasdaq	313.02	341.64
<i>In millions.</i>		

Dow Jones Averages

Open	High	Low	Last	Chg.
Indus.	3914.20	3914.20	3911.15	-24.99
Transp.	1211.81	1211.81	1211.81	-12.11
Comp.	1210.32	1210.32	1210.32	-1.37

Standard & Poor's Indexes

Standard & Poor's Indexes				
	High	Low	Close	Chge
Industrials	559.07	553.46	555.32	- 3.47
Transp.	365.01	360.15	361.55	- 3.41
Utilities	152.50	150.05	150.64	- 1.86
Finance	43.59	43.01	43.14	- 0.45
P 500	470.37	465.39	466.85	- 3.43
				3.49

EUROPE

Ivax Corp. Sets A Drug Venture With BASF Unit

Bloomberg Business News
LONDON — Ivax Corp., the second-largest U.S. generic drugmaker, and Knoll AG of Germany announced plans Thursday to move into the expanding generic-drugs market in Europe.

Joining other major drug companies that have made similar moves, the two companies said they had signed a letter of

intent to form a joint venture to make and market generic pharmaceuticals first in Germany and later throughout Europe. Knoll, a unit of BASF AG based in Ludwigshafen, Germany, said it would contribute more than 80 generic products it had licensed in Germany to the new company. Ivax said it would contribute the rights to 150 generic products made and marketed by Norton Healthcare Ltd., its British subsidiary.

Armando A. Taberna, an Ivax spokesman, said the company's intention was to expand its British presence into the German generic-drugs market and later into Europe as a whole.

Mr. Taberna would not say whether any money would change hands under the joint venture, but the accord calls for Knoll to acquire a minority holding in Ivax.

Virginia Pascoe, European pharmaceuticals analyst for Union Bank of Switzerland, said the European market for generic drugs was growing 20 percent a year. By contrast, the market for prescription drugs is growing at 8 percent, she said.

"It's the way you want to go, really," Miss Pascoe said. "It's the market you want to be in."

Driving the growth is an aging population that needs more drugs. In addition, governments are seeking to cut the costs of health-care programs by buying more generic drugs.

Profit at SAP AG Nearly Triples

Bloomberg Business News
WALLDORF, Germany — SAP AG, a computer software and services company, said Thursday pretax profit had nearly tripled in the first nine months as sales of its business applications system continued to soar.

Net profit for the period rose to 262 million Deutsche marks (\$175 million) from 89 million DM in the year-earlier period. Revenue surged 66 percent, to 1.14 billion DM.

The increase in nine-month sales was buoyed by strong gains in the company's U.S. business, which contributed about 30 percent to sales.

"The order boom is coming from the U.S.," said Chief Executive Dieter Hopp.

Bundesbank Is Hopeful on Rates

Compiled by Our Staff From Dispatches

FRANKFURT — Top Bundesbank officials said Thursday they were keeping an open mind on interest rates, indicating that the next money-supply reports might prompt a reduction.

The German central bank's president, Hans Tietmeyer, and his chief economist, Oskar Issing, separately expressed confidence that money-supply growth, the bank's chief inflation gauge, would continue to decline. The bank's 1994 target is 4 percent to 6 percent.

"We now have to wait and see how the money-supply figures look in September and maybe in October, too," Mr. Tietmeyer told Süddeutsche Zeitung.

September M3 figures are expected to be released Friday, and analysts forecast a decline from the 8.2 percent growth in August.

In a speech in Leipzig, Mr. Tietmeyer

disputed the notion that German rates must move in concert with U.S. and British rates.

"As opposed to Anglo-Saxon countries, where understandably the question is evidently when and how much central bank interest rates will be raised, the direction of possible further interest-rate changes in Germany is open," he said. "We're not only behind them in the economic cycle, but we don't pursue an anticyclic policy."

Meanwhile, at a conference in London, Mr. Issing said the German economy would grow as much as 2.5 percent in 1994 and possibly more in 1995 because of a strong revival in business activity.

Growth Strengthens in France

France's economic recovery has become unexpectedly robust, the International Herald Tribune reported, citing

data from the National Statistics Institute, or INSEE.

The institute revised upward the official forecast for 1994 gross domestic product growth to 2.2 percent from 2 percent.

Separately, Finance Minister Edmond Alphandery said that France's economic recovery was now firmly entrenched, with no risk of faltering.

He said INSEE's forecast was even stronger than the government's own forecast, made in January at 1.4 percent and later raised to 2 percent. The government made the forecast while still under fire for having greatly underestimated the depth of the economic slowdown in 1992 and 1993.

Mr. Alphandery forecast that GDP in 1995 would surpass the 3.1 percent growth forecast on which the government has based its 1995 budget.

Rumors Say Ax Hovers Over VW Officer

Reuters

BONN — Volkswagen AG's supervisory board is likely to dismiss the car maker's chief financial officer, Werner Schmidt, on Friday, sources close to the company and industry analysts said Thursday.

Speculation has been rife that VW's chairman, Ferdinand Piëch, wants to make Mr. Schmidt take responsibility for a large 1993 loss at the company's Spanish unit, SEAT, which dragged VW down to a record loss of 1.94 billion Deutsche marks (\$1.3 billion) last year.

The German media have been saying VW will persuade Mr. Schmidt, 62, to leave the company at the end of this year, before his contract expires.

VW's announcement last month that it would hold a special supervisory board meeting Oct. 21 fueled the speculation further and convinced many industry analysts that Mr. Schmidt will go.

"The issue has to be addressed of how such a shambles at SEAT could happen without anyone noticing," said an analyst in London, who asked not to be identified. "Someone has to pay the price, and it looks like that will be Schmidt."

VW would not comment on the speculation.

The meeting will also consider a report by the consultants Arthur Andersen & Co. on how SEAT crashed to a 1.84 billion DM loss in 1993 and who in

VW had been informed about the loss and when.

Since the loss at SEAT was announced, VW has got rid of most of the SEAT board, including the chairman, Juan Antonio Diaz Alvarez. Analysts have long thought, however, that a senior figure at VW would have to go too.

"Schmidt will go," said a German analyst, who also asked anonymity. "The pressure on him has increased dramatically. He would be made a scapegoat for the losses, but it is well known that he has had problems working with Mr. Piëch."

Mr. Piëch removed the head of VW's Audi luxury-car opera-

tion, Franz-Josef Kortüm, in February after Audi turned in a dismal performance for 1993.

Mr. Kortüm was succeeded by the development chief, Herbert Demel, but Mr. Demel is only management board spokesman and not chairman, indicating a centralization of authority.

"Piëch wants to centralize power, and he wants his own men," the German analyst said. "He is not happy that Schmidt has been on the board longer than he has."

In the 1970s, Mr. Schmidt, as Audi chairman, was Mr. Piëch's boss when Mr. Piëch was head of testing and development.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2200	3400	2200
2200	3200	2200
2100	3100	2100
2000	3000	2000
1900	2900	1900
1800	2800	1800
1700	2700	1700
1600	2600	1600
1500	2500	1500
1400	2400	1400
1300	2300	1300
1200	2200	1200
1100	2100	1100
1000	2000	1000
900	1900	900
800	1800	800
700	1700	700
600	1600	600
500	1500	500
400	1400	400
300	1300	300
200	1200	200
100	1100	100
0	1000	0

Very briefly:

- **Compagnie Générale des Eaux** said net profit rose 5.4 percent to 1.26 billion French francs (\$245 million) in the first half; the company said it expected sales to rise 4 percent, to around 154 billion francs, for the full year.
- **Caisse Nationale de Prévoyance**, the leading French life insurer and a candidate for privatization, said its first-half net profit rose 15 percent, to 692 million francs.
- **Société Suisse de Microélectronique et d'Horlogerie SA**, said it would produce and launch in China a watch brand that will be "much cheaper" than its Swatch watch.
- **The Swiss Finance Ministry** plans to slash the federal budget deficit by 73 percent before 1998 through measures including higher energy taxes and welfare-spending cuts.
- **Poland's prime minister**, Waldemar Pawlak, has approved a final list of companies to be privatized, setting the stage for the sale of 444 manufacturing companies.
- **Kaufhof Holding AG** said it would offer 200 Deutsche marks (\$133) a share for the remaining shares of Herten AG; Kaufhof acquired nearly 60 percent of Herten this year. Both companies operate department stores.

TRADE: Asia-Pacific States Are Split Over Access for European Union Once Regional Barriers Are Lowered

Continued from Page 11

development of two giant trade blocs centered on Europe and the Pacific, undermining efforts to liberalize trade worldwide.

A senior European official said a Pacific free-trade zone "comprising several continents, two major trading powers and the most dynamic economic area of the world on an exclusive basis must be considered discriminatory, at least by those excluded."

APEC currently comprises the United States, Japan, Chi-

na, Canada, Australia, South Korea, China, Canada, Australia, South Korea, Taiwan, Hong Kong, New Zealand, Mexico, Papua New Guinea and the six countries in ASEAN, the Association of the South East Asian Nations. They are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Chile is due to become the 18th member of APEC in November, when ministers from the group hold their annual meeting in Jakarta followed by an informal summit meeting at-

tended by President Bill Clinton and other leaders in Bogor, also in Indonesia.

On Saturday, a group of business executives from APEC members delivered a report to President Suharto of Indonesia that called for free trade and investment liberalization in the region by 2002 for developed economies.

Mr. Suharto will chair next month's summit meeting. The report was requested by APEC leaders when they held their first meeting nearly a year ago.

APEC "must produce concrete results this year in order to sustain its role as a policy forum which will guide the growth of the Asia-Pacific region," said Bustanil Arifin and Les McCraw, the co-chairmen of the group that produced the report.

Mr. Arifin heads PT Berrakari, a state-owned Indonesian company. Mr. McCraw is chief executive of Fluor Corp. of the United States.

On a visit to Australia last

month, Goh Chok Tong, Singapore's prime minister, said that Singapore and the United States preferred to see some conditionality attached to Pacific trade liberalization.

Analysts said that Australia and South Korea also supported such a position.

Mr. Goh said he would have no problem in giving unconditional benefits to the developing countries but would have some difficulty in giving something away to Europe. The EU,

he added, "must reciprocate in some way."

Mahathir Mohamad, the Malaysian prime minister, said he was concerned that APEC might become a trade bloc and be used as "a counterbalance" to the EU.

"A free-trade zone means discriminating against people outside the trade zone, and that is a trade bloc," he said. "We would not like to see that happen, because we want to be free to trade with anyone we wish."

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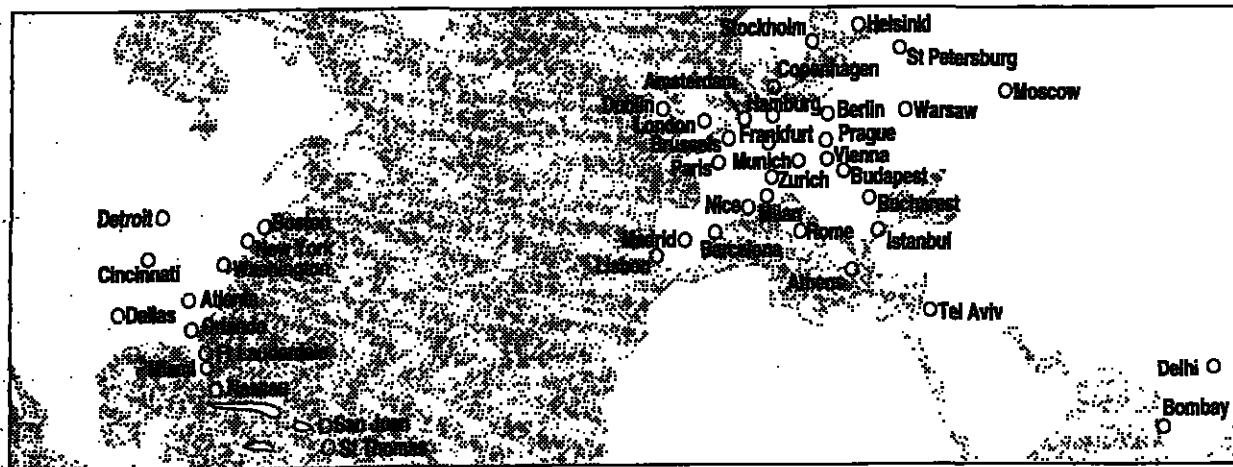
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Richard Pascale, business consultant, USA
- World Economist Forecast**
Franz Vranitzky, chancellor of Austria
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Pehr Gyllenhammar, former chairman Volvo, Sweden
Frans Sevenster, president of Nedcar, Netherlands
- Business in a Competitive Area**
Stan Shah, president & CEO Acer, Taiwan
Floris Maljers, former chairman Unilever, Netherlands
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ASIA/PACIFIC

With Growth at 8.5%, Malaysia Battles Inflation

Bloomberg Business News
KUALA LUMPUR — Malaysia's government has vowed to hold down inflation, worried that the nation's 8.5 percent growth in the first half of this year is pushing up prices too rapidly.

Malaysia's central bank, Bank Negara, said Thursday that growth of the economy had slowed slightly in the second quarter, to an 8.1 percent annual rate from 8.8 percent in the first quarter.

But with consumer prices rising at an annual 3.6 percent rate in September, the government is taking no chances.

Prime Minister Mahathir bin Mohamad, who last month tossed out the idea of "minus inflation" in an annual speech to financial institutions, promised Sunday that the federal budget, due next Friday, would focus on inflation control. And he called on consumers to boycott such products as chicken when they see prices rise.

Meanwhile, Bank Negara has been intervening in the market this week to buy the Malaysian ringgit, dealers said, a move interpreted as anti-inflationary. For the past two weeks, the central bank has been nudging interest rates higher by borrowing

money from banks and issuing new debt.

Bank Negara also urged commercial banks this week to increase their deposit rates, a step dealers called unprecedented.

"The government is really hammering home the point that they want to control inflation," said P. Gnanasegaram, research director at Standard Chartered Securities.

Despite its second-quarter

Rover Sets Pact With Malaysia

Bloomberg Business News
KUALA LUMPUR — Britain's Rover Group may transfer the technology for making engines to Malaysia's state-owned car company Proton Bhd. under an agreement signed Thursday that loosens Japan's hold on Malaysia's indigenous auto industry.

Under the agreement, the two companies will look into Proton making Rover's T-series gasoline engine for Proton cars. On Sept. 7, Malaysia ended a ban on contracts for British business, imposed in retaliation for British media reports claiming British-Malaysian trade was corrupt.

slowdown, Malaysia still has one of the world's fastest-growing economies. By comparison, in the second quarter the United States grew at a 4.1 percent rate, Germany 4.4 percent and Britain 4.4 percent, the central bank said.

Analysts have long said that Malaysia cannot sustain such rapid growth without prices rising. But until now, the government has not needed to do much to keep inflation down.

That seemed to change when the government announced that consumer prices had risen more in September than in July and August.

It has not taken long for the government's actions to have an effect, analysts said. The dollar hit a two-month low against the Malaysian currency of 2.5470 ringgit Wednesday, though it gained to 2.5482 ringgit Thursday as Bank Negara's buying eased, dealers said. The benchmark three-month interbank rate has risen from 4.4 percent to 4.6 percent in two weeks. Dealers reacted with a yawn to the growth figures.

Growth is "within consensus," said George Yap, a dealer at Apex Securities. "People think that by year-end it will be higher than that."

Investors Scramble To Purchase Stock In Shanghai Posts

Bloomberg Business News

SHANGHAI — Foreign investors got their first chance to own a piece of a Chinese telecommunications company Thursday when shares of Shanghai Posts & Telecommunications Equipment Co. were listed on the Shanghai B exchange.

The price of the shares jumped 44 percent. The company sold 60 million shares at an issue price of 39.6 U.S. cents, for a total value of \$23.8 million. The shares closed Thursday at 57 cents.

Although Shanghai Posts — a maker of switching equipment, cables and telex machines — is a relatively small company, with sales in 1993 of 243.9 million yuan (\$29 million), it has much room for growth. China hopes the number of telephone lines in the country will triple by 2000, to 140 million.

Shanghai Posts is well-positioned to benefit from growth. It has a strong distribution network, selling 85 percent of its products to local bureaus of the Ministry of Posts of Telecommunications across China.

China forbids foreign ownership of telecommunications service companies because of security concerns, but it has allowed foreigners to buy shares in equipment makers.

Investors said they were attracted to the stock in large part by the company's two joint ventures with AT&T Corp. AT&T provides Shanghai Posts with technology for its transmission equipment. The joint ventures accounted for 69 percent of Shanghai Posts' profit in the first half of this year. Shanghai Posts has a 22.5 percent stake in AT&T Shanghai, a maker of fiber optics, and a 50 percent stake in another AT&T venture, which makes transmission equipment.

Although the Shanghai Posts listing was for B shares, which are supposed to be reserved for foreigners, Chinese nationals had managed to buy many shares before the first trading day, said a fund manager. These investors were selling shares on the first day to lock in a gain of about 40 percent, the fund manager said.

Carmakers In Japan Cut Job Prospects

The Associated Press

TOKYO — Japan's two largest carmakers announced job cuts Thursday in their latest response to the industry's long slump.

Nissan Motor Co., Japan's second biggest automaker, said it would cut back its hiring of new college graduates, and Japan's largest automobile company, Toyota Motor Corp., said it would require managers to accept earlier retirements.

Nissan said it planned to reduce its work force to 48,000 in 1995 from 50,000 and would hire only about 50 college graduates, compared with 170 in 1994 and about 600 in 1993.

"Unless there is a dramatic turnaround in the economy, our hiring prospects will remain bleak," Nissan said.

In May, Nissan reported a second consecutive year of losses, citing weak worldwide demand for autos and the strengthening of the yen.

Toyota is introducing changes Jan. 1 under which the mandatory retirement age for a deputy department chief will be 53. A section chief must step down at 50, the company said.

The retirement age for all managers is currently 55.

New Matsushita Games

Matsushita Electric Industrial Co. announced Thursday a fresh menu of video games for its 3DO Real machine in an attempt to compete more effectively with established game makers such as Nintendo Co. and Sega Enterprises Ltd., Reuters reported from Tokyo.

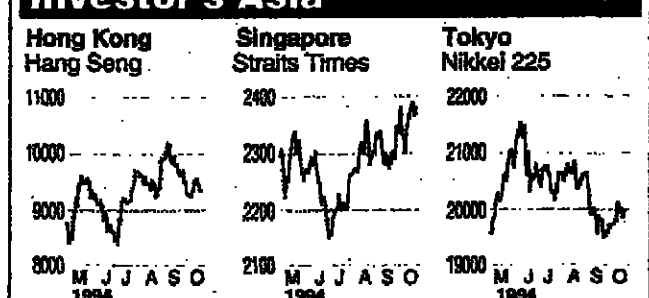
The new titles include games based on hit movies such as "Jurassic Park" and "Demolition Man."

The company hopes the new titles will help justify its paying more than \$6 billion for MCA Inc., the California studio that released the two films.

Matsushita also announced a new version of the 3DO machine, called the FZ-10. At 44,800 yen (\$460), it is about \$100 cheaper than its forerunner, the FZ-1.

The company expects to have sold 500,000 game players by the end of the year, down from its initial estimate of 1 million.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hong Kong	9,388.78	9,320.06	+0.74
Singapore	Straits Times	2,382.25	2,364.11	+0.77
Sydney	All Ordinaries	2,016.30	2,013.40	+0.14
Tokyo	Nikkei 225	19,991.90	19,888.87	+0.62
Kuala Lumpur	Composite	1,124.59	1,118.86	+0.49
Bangkok	SET	1,521.61	1,501.42	+1.34
Seoul	Composite Stock	1,088.77	1,094.76	-0.55
Taipei	Weighted Price	6,761.37	6,699.10	+1.38
Manila	PSE	3,077.12	3,099.34	-0.72
Jakarta	Stock Index	518.76	518.97	-0.04
New Zealand	NZSE-40	2,067.29	2,061.86	+0.27
Bombay	National Index	2,028.54	2,036.12	-0.37

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- John Fairfax Holdings Ltd., an Australian newspaper company, said it would focus its growth on pay television, electronic database services and digital technology and would have 1 billion Australian dollars (\$735 million) for acquisitions by 1997.
- Two Hong Kong residential developments sold for less than expected at a government land auction, reflecting an uncertain mood in Hong Kong's property market.
- The Philippines' largest pension fund, its social security system, said it would quadruple the size of a fund it used to provide low-interest loans for members to buy stocks.
- Taiwan's central bank urged local commercial banks to lower interest rates, reversing a money-tightening policy taken over the past six months.
- Swire Pacific Ltd., a Hong Kong conglomerate, is closing some of its Carroll Reed women's clothing stores because of poor prospects in the U.S. retail market, the company said.
- Samsung Electronics Co. of South Korea said it would invest \$30 million to build a factory in Thailand to make washing machines, air conditioners and refrigerators.
- Taiwan's export orders reached a record \$8.43 billion in September, up 21 percent from September 1993, because of the recovery in the world economy, the Economics Ministry said.
- Nikko Securities Co. of Japan is expected next week to sign an accord with Nanfang Securities Co., one of China's "Big Three" national securities companies, a Nikko spokesman said.
- Sweden will give the Energy Ministry of Vietnam 200 million kronor (\$28 million) over four years to improve power distribution, a Swedish Embassy official said.

Hong Kong IPOs Lose Luster

Reuters
HONG KONG — A poor response to Hong Kong's latest initial public offering shows the market for new listings is falling quickly back to earth after years of soaring profits and demand, analysts said Thursday.

Wing Fai International Ltd., a repair and maintenance company, said only 22 percent of its initial offering of 87.3 million shares was taken up Thursday.

"We've had a very artificial IPO market that was basically money for nothing," Archie Hart of Crosby Securities said.

"Now it's returned to a much more natural state of affairs."

Analysts said lukewarm investor sentiment, pricing and issue quality have cooled the market for initial public offerings.

Shandong International Power Development Co.'s 2.7 billion Hong Kong dollar (\$349 million) share offering was recently postponed after two other IPOs from Chinese power companies met with tepid demand in the United States.

Fund managers said that with the overall mar-

ket in the doldrums, investors feel they can wait until after an IPO hits the market and then buy the shares later for less.

Simon Male, a fund manager at GT Management (Asia) Ltd., said: "People have to become more cautious with the pricing. They can't just come to the market and ask whatever they want."

But Alex Tong of Barclays International Fund Managers said quality was the problem.

"Last year we saw a lot of poor-quality IPOs, and the share prices performed very well right at the listing," he said. "Right now it depends on the quality of the company."

Ming Pao Chairman Quits After Censure

Yu Pui-hoi, the chairman of one of Hong Kong's most prominent newspapers, resigned Thursday after being censured by the stock exchange for failing to disclose a criminal past.

The stock exchange censured Mr. Yu, 35, the chairman of Ming Pao Enterprise Corp., for breaching listing rules that require company directors to reveal material information, including previous criminal convictions.

Indosat Extends Gain With 6% Rise in Jakarta

Reuters

JAKARTA — Shares in Indonesia Satellite Corp. rose on Thursday as foreign investors sought exposure to the principle telecommunications company in the world's fourth most populous country.

Indosat, which made a strong debut on the local market Wednesday, rose about 6 percent Thursday, to 8,950 rupiah (\$4.12), in heavy trading. Indosat has risen 28 percent from its 7,000 rupiah issue price in just two days of trading.

"Yesterday there was good demand from foreign investors, but today they are definitely buying more aggressively," Richard Fischer of Barings Securities said.

Although some brokers were a little surprised at how well Indosat had performed, they attributed this to its growth potential and size. The state-owned company listed 10 percent of its shares in Jakarta and 25 percent in New York.

At current price levels, it is Jakarta's second-largest listed company, with a market capitalization of \$4.2 billion. Only the cement maker, Indocement, is larger at \$4.4 billion.

Mr. Fischer said foreign investors were buying the stock because Indosat was now an important index stock for fund managers seeking investments in Indonesia.

Jakarta Said to Award Contract to Suharto's Son

Reuters

JAKARTA — Indonesia has awarded the Humpuss Group, controlled by one of President Suharto's sons, a \$495 million contract to build a three-berth terminal at the Jakarta port of Tanjung Priok, a company executive said Thursday.

"The contract was signed in August," Denis Sibbald, planning director of PT Humpuss Petikemas, said, referring to the Humpuss contract. "Construction will start in December."

Mr. Sibbald said construction of the terminal's first berth was expected to be completed by the first quarter of 1996 and

empire. A magazine survey conducted in November 1993 listed three of them in its list of Indonesia's 10 wealthiest people.

The government has since 1992 regarded the upgrading of its weak port facilities as vital to maintaining the country's growth.

Tanjung Priok, Indonesia's busiest port, with two terminals operating and plans for two more by the end of the century, handled 22 million tons of cargo in 1992, nearly half of it for export, compared with 8.5 million tons in 1980.

Mr. Sibbald said construction of the terminal's first berth was expected to be completed by the first quarter of 1996 and

that the entire project should be finished by 1999.

He said financing for the project, the first terminal construction contract to be awarded to the group, would come from bank syndication and equity. He did not elaborate.

"The port authority is responsible for the infrastructure and the private side; Humpuss is responsible for the superstructure and equipment," he said.

Humpuss, with interests in a domestic airline and shipping, is controlled by Hutomo Mandala Putra, Mr. Suharto's youngest son.

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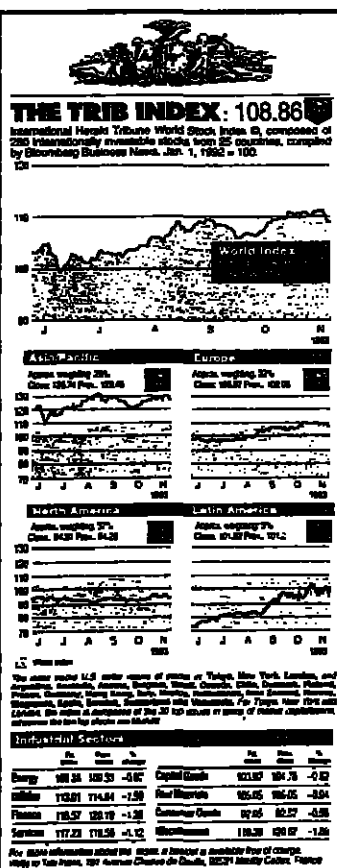
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FRANCE: ARFAM, PARIS - LEON, PARIS. GERMANY: BLUME, DUESSELDORF. ITALY: VERGA, VALEPI.
MILANO. SWITZERLAND: SCHWENDER, ZERMATT. LIECHTENSTEIN: HUBER, VADUZ.
UNITED KINGDOM: MARTIN & WEBB, LONDON. BELGIUM: DE GREEF, BRUSSELS.
SPAIN: ALDAO, MADRID - UNION SUIZA, BARCELONA. ABU DHABI, DUBAI: WAKSOUR, JEWELLER.
KUWAIT: ANWAR AL QATANI, SAFAT. QATAR: NEW TRADE, DOHA. HONG KONG: SINDOOP.
JAPAN: NIKON, SIBER HESLER, TOKYO. USA: TRASERT & MOSHER, CHICAGO.

100

Are Baseball Owners Softening Their Stand?

Ravitch led a contingent of 11 club owners and executives in the first formal bargaining session since Sept. 9. Donald Fehr, the players' labor leader, led a group of six players, and they all met with Bill Uesry Jr., the veteran mediator, whom the White House has asked to help settle the difficult dispute.

"I hope at no point in this process will we say anything publicly or privately or do anything we don't absolutely have to do that could harm or impair the ability to get a mutually

But when asked about the Oct. 30 date, Ravitch said: "We don't have to make any decision whatsoever on any particular date. In our judgment, this process is going to be the method by which this dispute is resolved and we don't consider there to be any outside date by which we absolutely, as a legal matter, have to do anything."

Bob Hamelin was congratulated by Mike Macfarlane after hitting a two-run homer in July.

The Associated Press

Thomas was the top AL first baseman for the third straight season, and Toronto's Roberto Alomar was tops among AL second baseman for the third consecutive year. John Valentin of the Boston Red Sox replaced Tony Fernandez at shortstop and Detroit's Travis Fryman ended Robin Ventura's two-year run at third.

Pittsburgh's Jay Bell ended Barry Larkin's four-year reign at shortstop. Matt Williams, who hit 43 homers and drove in 96 RBIs for San Francisco, was the top third baseman. He displaced Terry Pendleton, No. 1 for two straight years.

Rick Wilkins of the Chicago Cubs, tied for the top spot at NL catcher last year with Darren Daulton, took sole possession this year. Maddux repeated as the top NL starter and Montreal's John Wetteland replaced Rod Beck as the top NL reliever.

Compiled by Our Staff From Dispatches

He also said that the league would need at least a 40- or 50-game schedule in order to have a legitimate season leading to the Stanley Cup. In order to play a 50-game schedule, the NHL would have to resume play by mid-December. (AP Wire)

"We have no contemplation of taking any legal steps whatsoever at this point," he said. "We reserve our right to do what we're legally entitled to, but we have no current expectation and there was no discussion with the negotiating committee about our proceeding with any legal steps whatsoever. We are fully committed to the process that Bill Usery has set in motion today and that's where all our energy is going."

The Associated Press

Hamelin was the first DH to win the award, and the first player for the Royals to do so since Lou Piniella in 1969.

Hamelin, who also played 24 games at first base, received 25

Cleveland outfielder Manny Ramirez, who hit .269 with 17 home runs and 60 RBIs, was runner-up with 44 points. Texas outfielder Rusty Greer, who hit .314 with 46 RBIs and also made a diving catch that finished off Kenny Rogers' perfect game, got the other three first-place votes and was third with 42 points.

By Harvey Araton

"How does it feel to be the guy who let The Last Celtic leave?" someone asked Carr, who last June, at 43, was named the Celtics' director of basketball operations after the dour Dave Gavitt got the boot upstairs.

"I look around and see nobody left ex-

Vitale, feeling lucky, kicked in two first-round draft picks. His team finished dead last. Those picks, after one more Fitch trade with Golden State, landed the Celtics Parish and McHale. Thus was formed the best frontline in the history of the game.

Once, Carr forearmed no less a target than Bill Leimbach, sixth to the floor.

For a couple of years, Carr was listed as an unpaid scout, though he admitted he did no actual work. He was, at that point, the only black on the Celtics' administrative roster, or scouting staff.

"Don't laugh," Carr said.

It was too late for that. But M. L. Carr, not one to get carried away with self-righteous Celticness, was already himself

THAT'S IT?
THAT'S THE
STORY OF
YOUR LIFE?

DO YOU THINK YOU CAN MAKE THESE RECRUITS INTO SOLDIERS?

AS WITH ALL NEW MODELS...

10-21
COVERLY

PILLAR FOUR: CARING. THIS IS WHERE IT ALL COMES TOGETHER. CARING IS WHAT HOLDS FAMILIES AND COMMUNITIES TOGETHER.

HELLO? ... IN A MINUTE, IT'S A DUES'

SEE, CALVIN? THERE'S NOTHING OUT HERE.

BUT I KNOW I HEARD SOMETHING: GO LOOK, OK? PLEASE!

OK, IF IT WILL MAKE YOU FEEL BETTER, HEY!

SLAM

PANEL 1:

DILBERT: THIS WAS A TRICK! WHY YOU SNEAKY LITTLE DRIP, I'LL GET YOU!

PANEL 2:

WALLY: HOBBS? I LOCKED HER OUT.

PANEL 3:

DILBERT: NOW WE CAN WATCH TV AND EAT COOKIES TILL WE'RE SOBER ON BOY!

PANEL 4:

WALLY: THIS IS THE BEST OF ME - IT'S BEEN EVERY BODY SINCE BABY SAT!

HOW MANY THOSE HAS HE HAD?

HE SHOULD BE LEAVING ANY MINUTE NOW

PARKES

LET ME INTRODUCE
YOU TO MY STAFF.

OTHERS:
AND
ANYWAY.

THIS IS DAGWOOD
BLUMSTEAD.. HE'S
MY...UH...

WHAT THE HECK IS IT
THAT YOU DO AROUND
HERE, ANYWAY?

HEE HEE UH...
OUR AH...

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**For investment
information**
Read
the MONEY REPORT
every Saturday
in the IHT

SPORTS

Frost Curtails Czech Open

The Associated Press

MARIANSKE LAZNE, Czech Republic — The scores appeared sensational: Sam Torrance and Gordon Brand Jr. each shot 54 Thursday, Jamie Spence and Malcolm MacKenzie opened with 57.

But they played only 15 holes at the \$750,000 Czech Open.

Heavy frost made three holes unplayable, so organizers decided to make the par-71 Marianske Lazne Golf Club course a par-59 layout for the day.

The start of the first European PGA tournament to be played in the Czech Republic was delayed by more than three hours before it was decided to omit the 11th, 13th and 14th holes. Then, only 51 of the 102 starters were able to finish the first round before darkness halted play.

British Golfers Davies and Nicholas: Power, Putting, Puns

By Larry Dorman

New York Times Service

WHITE SULPHUR SPRINGS, West Virginia — They are the Mutt and Jeff of European women's golf, the long and short of it, a par 5 and a par 3. They are the European Solheim Cup team. They are Laura Davies and Alison Nicholas, best of friends and Europe's best pairing in the Solheim Cup.

Davies, 31, is the longest hitter in women's golf, and Nicholas, 32, is one of the game's best putters. This combination of power and finesse is always difficult to beat in team golf. And when combined with the other compatibility factors, it makes Davies and Nicholas a strong combination again this week as Europe and the United States meet Friday through Sunday in the third edition of the biennial Solheim Cup at the Greenbrier resort here.

In the Solheim Cup, which is the

women's version of the Ryder Cup, Davies and Nicholas are 3-1 as a team since the competition began four years ago at Lake Nona Golf Club in Orlando, Florida. They haven't been defeated since a nervous 4 and 3 loss to Betsy King and Beth Daniel in their first match that year. Now, the two women from Britain go together better than fish and chips.

"Well, since we're the same size, the same height and hit the ball the same distance, we should be a good team," Nicholas said with a laugh.

A bit of Brit humor, of course. Davies stands 5 feet, 11 inches (1.80 meters), and her weight, a closely guarded secret, fluctuates. At the moment, she appears to be close to 190 pounds (86 kilograms). Nicholas claims to be "5 feet in my spikes," but in reality stands a shade less. She is considerably less in weight, and driving distance.

If this disparity matters at all, it is because the two women have turned it to their advantage. They have

known each other for 15 years and share in common a dry sense of humor and a keen sense of purpose, tempered by an ability to laugh at themselves.

This is one of the first things you notice about Davies and Nicholas. They do not take themselves serious-

ly. They take their golf seriously and they want nothing more than to keep the Solheim Cup in Europe, where it has resided since the Europeans defeated the United States, 11½-7½, two years ago at Dalmahoy in Scotland. But they refuse to allow the pressure of the competition to out-

strip their No. 1 desire — which is to have fun on the golf course.

"I think that's a big part of what makes us successful is that we're good friends having fun in a very competitive situation," Davies said. "It's simple as that. Ali and I have fun. We don't get downhearted."

But they do get down, which is to say that both enjoy a little wager every now and again. Davies enjoys betting nearly as much as she does hitting a par 5 in two. Her gusto for the race track has been well-documented, but she also enjoys spicing up the competition on the course with a bet or two.

She and Nicholas put the pressure on fellow European team member Trish Johnson during a practice round this week. They were playing for \$50, and Johnson had a 3-footer left for par. She looked over for a concession. She got silence.

"She gave us a few looks," Davies said. "But she made the putt. The Americans aren't going to give anyone any 3-footers."

If one is to listen to the British

odds-makers, the Europeans aren't going to give the Americans any competition, either. Coral's, one of the legal betting emporiums in England, will pay about \$62 for about \$18 bet if the Europeans win.

Two years ago, when some members of the American team were dismissive of the Europeans' chances, Davies became inspired, inspiring and unstoppable. She and Nicholas won their foursome match over Betsy King and Beth Daniel, their four-ball match over Patty Sheehan and Juli Inkster and Davies birdied five of the last six holes to beat Brandie Burton in singles, 4 and 2.

This season, fueled by a desire to accomplish something no other European woman has done — win the PGA money title — Davies has won \$667,652 and leads the list. The latest Solheim Cup, the odds-makers might find her as her last partner up to great heights.

"If I were an outsider," she said, "I'd steam in and lay plenty of money on it."

Fore! Here Comes the Champ

New York Times Service

The search for a mythical world golf champion will be undertaken in a new event with 32 players vying for the \$1 million winner's prize.

The \$3.65 million tournament will start next year and take place periodically at courses worldwide from March to December, pitting eight golfers from four regions in single-elimination match play. Seven of each region's eight players will be chosen from the Sony Rankings, a worldwide rating of golfers; the last will be the sponsors' choice.

The regions are the United States, Europe, Japan and the rest of the world (Australia, Asia and South Africa).

The tournament, called the Andersen Consulting World Championship of Golf, will start March 3-4 with the Japanese region's preliminary rounds, and conclude Dec. 29-31 with the semifinals and finals from the yet-unopened Grayhawk Golf Club in Scottsdale, Arizona.

The organizers claim the tournament will draw the top players because it is sanctioned by each country's governing bodies.

South Korean Wrestler Won Gold With Cancer

Reuters

SEOUL — A South Korean wrestler won a gold medal at the Asian Games with a cancerous tumor bigger than a baseball in his stomach, hospital officials said Thursday.

Song Sung Il, 25, took won the Greco-Roman mid-heavyweight title by defeating Kazakhstan's Vitali Lektue on Oct. 5 in Hiroshima, Japan.

Wednesday, Song underwent a 5½-hour operation in Seoul. The surgeon, Lee Byung-boon, told the newspaper JoongAng Ilbo that "a tumor the size of your two fists put together was removed. I'm just surprised at how he could compete in the Games with the cancer advanced to such a state."

"Song had to fight with pain in his stomach as well as strong challenges at the games," his coach said. "He could not even take pills to kill the pain because of dope tests."

Song, who thought the pain was being caused by a stomach ulcer, said after he won the gold medal that he would deliver it to his mother. She, too, is suffering from stomach cancer.



SOMETHING BLUE — Wimbledon champion Conchita Martinez gave the ball a kick Thursday as she was losing, 6-1, 6-3, to Larisa Neiland of Latvia in the Brighton International. Martinez did save herself the cost of a round-trip private jet to Zurich; she had arranged to attend the wedding of her coach, Eric van Harpen, Friday in Switzerland.

Arsenal Holds On for Victory Over Plucky Danish Team

Compiled by Our Staff From Dispatches

Arsenal was grateful for an early two-goal cushion as their Danish opponents, Brøndby, threatened to derail the titleholders' European Cup Winners' Cup campaign on Thursday night in Brøndby.

Everything looked like clear sailing for the London side when Ian Wright and Alan

met Ozdilek scoring in the 39th minute with a shot from six meters after a pass through a crowded penalty box from Seren Yalcin.

Ertugrul Saglam pounced on a defensive error by Frank Verlaat to score the second goal with a left-foot strike in the 43d minute.

But Auxerre attacked from the start of the second half and broke through with two rapid-fire goals in the 53d and 58th minutes by Moussa Saib and Corentin Martins.

Club Brugge 1, Panathinaikos 0: Lorenzo Staelens, a Belgian international midfielder, scored a fourth-minute penalty, which was enough to give Club Brugge a victory over the Greek side in their European Cup Winners' Cup match.

Sampdoria 3, Grasshopper Zurich 0: Italy's Sampdoria struck two late goals as it overpowered the Swiss team to virtually book a place in the next round of the European Cup Winners' Cup.

Goals by the Serb Sinisa Mihajlovic in the 76th minute and a fellow midfielder, Riccardo Maspero, seven minutes later sealed a victory that should make the second round second leg in Switzerland next month a formality for the Italians, winners of this trophy in 1990.

Feyenoord Rotterdam 0, Werder Bremen 0: A single goal from striker Henrik Larsson was Feyenoord Rotterdam's only reward for persistent pressure as they beat Werder Bre-

men in a Cup Winners' Cup second round, first leg match.

The Swedish international struck in the 63d minute to break the deadlock against a Werder side that played with a sole front-runner ahead of a packed midfield.

Chelsea 0, Austria Vienna 0: In London, the evening at Stamford Bridge finished goalless as Chelsea failed to overcome the 10 men of Austria Vienna.

The London club surged forward for most of the game but could not break down an obdurate defense. With a numerical advantage for the last 20 minutes after Manfred Schmid was sent off, Chelsea still could not find a way round Franz Wohlfahrt in the Austria goal.

Parma 1, AIK Solna 0: In Stockholm, Massimo Crippa struck 18 minutes from time for an away victory in the first leg of a UEFA Cup second-round match.

Real Zaragoza 4, Tatra Presov 0: Juan Eduardo Esnaider scored twice for the Spaniards in their Cup Winners' Cup match in Bratislava. Gustav Poyet and Stanislav Varga added goals for the winners as the defense frustrated any scoring chances by the Slovak team.

FC Porto 6, Ferencvaros 0: Playing at home, the Portuguese completely dominated the Hungarians in their Cup Winners' Cup second round match. Ljubinko Drulovic led the scoring with two goals. (AP, Reuters)

SIDELINES

UNLV Is Left Without Any Coach

LAS VEGAS (AP) — Just hours after UNLV bid a \$1.8 million farewell to Rolfe Massimini, efforts to hire former assistant Tim Grunich as the new coach failed and the athletic director quit.

The school's president, Kenny Guinn, said an interim coach would be hired as soon as possible for this season, and the hiring of a permanent coach left until next year.

The athletic director, Jim Weaver, whose reported personality conflict with Grunich hampered efforts to sign the only coach UNLV was seeking for the job, resigned during an hour-long meeting with Guinn.

For the Record

Allan Bristow, coach of the NBA Charlotte Hornets, was hospitalized in Bologna, Italy, with a kidney infection; a team spokesman said doctors did not think the infection was serious. (AP)

Vietnam will hold its fourth international marathon in Hanoi on Jan. 15 to boost tourism, organizers announced. (Reuters)

Quotable

ESPN's Beano Cook: "Coaches say there's a lot of pressure. They make \$400,000, \$500,000 a year. If they don't want pressure, work at Wendy's."

SCOREBOARD

BASKETBALL

NBA Preseason

Wednesday's Games
Orlando 121, Miami 117
Utah 102, Detroit 100
Cleveland 106, Dallas 107
Houston 119, Milwaukee 116
Philadelphia 95, Minnesota 94
Denver 14, L.A. Clippers 99
Seattle 131, L.A. Lakers 113

CRICKET

ONE DAY INTERNATIONALS
South Africa vs. Pakistan
Thursday, in Ravensburg
Pakistan innings: 249-4

South Africa (Innings: 210-5 (59 overs))
Result: Pakistan won by 39 runs.
India vs. West Indies
Thursday, in Bombay
West Indies innings: 152-9
India innings: 134-4 (34th over)

SECOND INTERNATIONAL TEST
Sri Lanka vs. Zimbabwe
Thursday, in Bulawayo
Sri Lanka 1st innings: 213-4

TRANSITIONS

BASEBALL
American League
BALTIMORE — Declined to offer salary arbitration to Harold Baines, outfielder, and Lee Smith, pitcher, making them eligible for free agency.

BOSTON — Declined to offer salary arbitration to Andre Dawson, designated hitter, Frank Viola and Joe Mauer, pitchers, and Tom Brunansky, designated hitter, outfielder, making them eligible for free agency.

CALIFORNIA — Announced they have offered salary arbitration to Chili Davis, outfielder.
CHICAGO — Declined to offer salary arbitration to Jose Delmonico, pitcher, Julio Franco, designated hitter, Bob Melvin, catcher, and Don Pascua, outfielder.

CLEVELAND — Declined to offer salary arbitration to Rene Gonzalez, infielder, Tony Pena, catcher, and Jeff Russell, pitcher.
DETROIT — Declined to offer salary arbitration to Tim Lincecum, and Bill Guttentag, pitchers, Eric Davis, outfielder, and Alan Trammell, shortstop.

KANSAS CITY — Declined to offer salary arbitration to Vince Coleman, outfielder.

Named Jeff Cox third base coach. Named Mike Jirasek, manager; Mike Alvarez, pitching coach; and Tom Postelle, hitting coach, of Omaha, A.L. Named Ron Johnson, manager of Wichita, T.L. John Mizerack manager of Wilmington, Carolina League; Britton Hildner, manager of Savannah, Midwest League; Al Padua, manager of Spokane, Northwest League; and Bob Herald, manager of Fort Myers, Florida State League.

MILWAUKEE — Declined to offer salary arbitration to Brian Horner, and Dave Valle, catchers, and Teddy Higuera, pitcher.

NEW YORK — Declined to offer salary arbitration to Mike Goleto, infielder.
OAKLAND — Declined to offer salary arbitration to Bob Welch, pitcher.

TEXAS — Declined to offer salary arbitration to Tom Henke, pitcher, and Manny Lee, infielder.

CROSSWORD

ACROSS

1 Erie Stanley Gardner pen name
7 Bo Derek's film debut

DOWN

11 Jack or Jenny van Beethoven
14 Kind of association goal in life?

ACROSS

17 A. to Ludwig van Beethoven
20 Octogenarian's goal in life?

DOWN

1 "Pook" monogram
2 TV voice of Fred Flintstone
3 View from Tokyo

4 Egypt's — Ra
5 Legal memo starter
6 Laugh-a-minute comedies

7 Electrical unit
8 "Beverly Hills Cop" co-star
9 Beat, in a way

10 Building block of nature
11 Invites, as to an apartment

12 Lippizzans
13 Insists
14 Ford role in "Clear and Present Danger"

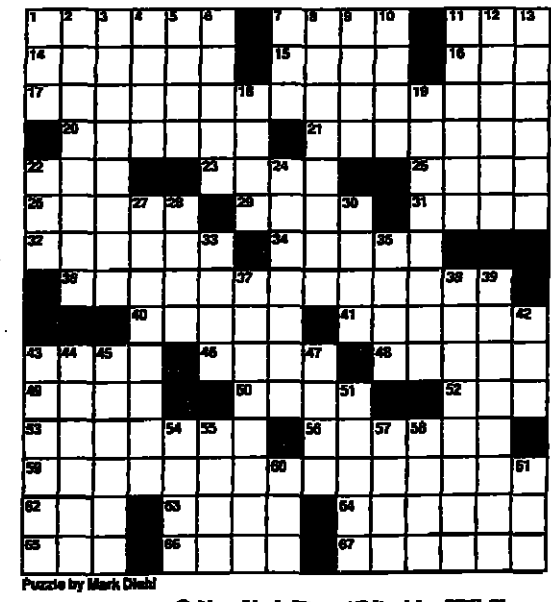
15 String on a finger, e.g.
22 Third degree?

24 Break up
27 Things to be paid
28 "Chitty Chitty Bang Bang" screenwriter

29 Oscar Madison, e.g.
30 Mont. neighbor
31 Live —

32 Phrase after "Variations"
36 Type of stand
39 As a unit

42 Farm mother
43 Like ipsecac
44 Strauss opera



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Solution to Puzzle of Oct. 20

PIE MAN BEAT KOS
ESSENE ORLY AVA
PLATONIC BOMB
PLANE ORCH OIRI
EIT SSR AGLASS
REEL END RENITE
ESTEE WOODEN
VEGETABLE SOUP
JACQUES ROSSI
LOUIT ALE LATH
GUANOS TIK TIA
GELS POET STIES
ERT HAMSAWILCH
ROSE EIKENAGORIA
SEE XENO BSETS

On November 29th, the IHT plans to publish a Special Report on

Telecommunications

Among the topics to be covered are:

- Phone company privatization around the world.
- The global mobile phone standard.
- Overcrowding on the information superhighway.
- The competition to wire up the fast-growing nations in Asia.
- Alliances among media providers.

The newspaper will also be distributed at SITCOM in Paris on the same day.
For further information, please contact Bill Mahler in Paris at (33-1) 46 37 93 78, fax: (33-1) 46 37 50 44.

Herald Tribune

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(Continued From Page 4)

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How I Made Up My Mind

What finally turned me against B. though, was his own commercial. In it he swore to cut government spending on everybody but me. Being a consummate liar, he obviously meant to strip me of federal funds for life's necessities — police stations, street lights, garbage pickup. The mendacious swine!

I reasoned that while A might be wanting in patriotism and a child molester, sending him to the Senate would keep him under such a publicity spotlight

Imagine the bleakness of life without the fun and excitement of these well-poisoners making a farce of democracy every other October.

Robert Paxton: France's American Expert on Vichy

fox, but on the right side, feel betrayed. They are not concerned about his business connections or what he did to his own party; they're focusing on things he did 50 years ago!"

A major French publisher refused the book, saying the French wouldn't be interested. Le Seuil published it, and it turned out that the May '68



"Reaction to my first book had been gigantic," he said, "a lot of angry denial and letters to newspapers, a huge debate, but after 'Vichy and the Jews,' there was embarrassed silence. The reviews were sort of through clenched teeth and I didn't get much mail."

Paxton was raised in a small town where there were few Jews — "We didn't know much about anti-Semitism in Appalachia" — but with strong feelings about the past. "I had been raised on stories of how the Union officers came in and took the silver, and I thought I knew something about occupations. The town had been bombed in 1863; my great-grandfather, a brigadier general, was

But today the tide is turning back to a more ambiguous view, in the direction of Mitterrand's ambiguous stance. "The French elite shares a secret — they accepted, without a murmur, the laws against the Jews — so a lot of people would be pleased if Vichy appeared more gray, not so black."

Joan Dupont is a Paris-based writer.

Forecast for Saturday through Monday, as provided by Accu-Weather.

Europe									
	Today			7 days			W		
	H	L	C	H	L	C	H	L	C
Algeria	14/27	11/52		14/27	11/52		14/27	11/52	
American Samoa	20/27	11/52		20/27	11/52		20/27	11/52	
Andorra	14/27	11/52		14/27	11/52		14/27	11/52	
Antigua	24/31	16/23		24/31	16/23		24/31	16/23	
Barcelona	14/27	11/52		14/27	11/52		14/27	11/52	
Bahamas	24/31	16/23		24/31	16/23		24/31	16/23	
Bahrain	14/27	11/52		14/27	11/52		14/27	11/52	
Belize	24/31	16/23		24/31	16/23		24/31	16/23	
Bermuda	14/27	11/52		14/27	11/52		14/27	11/52	
Bosniap	13/29	7/44		13/29	7/44		13/29	7/44	
Copenhagen	13/29	7/44		13/29	7/44		13/29	7/44	
Croatia	14/27	11/52		14/27	11/52		14/27	11/52	
Dublin	13/29	7/44		13/29	7/44		13/29	7/44	
Edinburgh	14/27	11/52		14/27	11/52		14/27	11/52	
Florence	21/30	16/23		21/30	16/23		21/30	16/23	
Frankfurt	14/27	11/52		14/27	11/52		14/27	11/52	
Geneva	14/27	11/52		14/27	11/52		14/27	11/52	
Helsinki	14/27	11/52		14/27	11/52		14/27	11/52	
London	14/27	11/52		14/27	11/52		14/27	11/52	
Las Palmas	28/39	19/28		28/39	19/28		28/39	19/28	
Lisbon	20/30	16/23		20/30	16/23		20/30	16/23	
London	14/27	11/52		14/27	11/52		14/27	11/52	
Moscow	20/66	33/53		20/66	33/53		20/66	33/53	
Munich	14/27	11/52		14/27	11/52		14/27	11/52	
Osaka	14/27	11/52		14/27	11/52		14/27	11/52	
Oslo	21/30	16/23		21/30	16/23		21/30	16/23	
Paris	14/27	11/52		14/27	11/52		14/27	11/52	
Prague	18/64	11/29		18/64	11/29		18/64	11/29	
Rangoon	14/27	11/52		14/27	11/52		14/27	11/52	
Reykjavik	14/27	11/52		14/27	11/52		14/27	11/52	
Rome	20/30	16/23		20/30	16/23		20/30	16/23	
Saint Petersburg	14/27	11/52		14/27	11/52		14/27	11/52	
Stockholm	10/20	3/25		10/20	3/25		10/20	3/25	
Taipei	14/27	11/52		14/27	11/52		14/27	11/52	
Tel Aviv	18/64	11/29		18/64	11/29		18/64	11/29	
Toronto	8/26	3/27		8/26	3/27		8/26	3/27	
Valencia	14/27	11/52		14/27	11/52		14/27	11/52	
Warsaw	14/27	11/52		14/27	11/52		14/27	11/52	
Zurich	13/29	7/44		13/29	7/44		13/29	7/44	

Oceania									
	Today			7 days			W		
	H	L	C	H	L	C	H	L	C
Auckland	17/62	8/48		17/62	8/48		17/62	8/48	
Brisbane	17/62	8/48		17/62	8/48		17/62	8/48	

Forecast for Saturday through Monday, as provided by Accu-Weather.

North America

A slow-moving storm will linger heavy rains across southeastern Asia, Greece and parts of North Africa this weekend. A spell of mild weather will occur from Bulgaria through Poland. A storm will prevail from the Atlantic will bring strong winds and heavy rains to parts of Western Europe.

Europe

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Asia

Typhoon Teresa will bring heavy rains and gusty to the northern Philippines including Manila, Saigon, Tokyo and Osaka with sunny and warm this weekend. Shanghai will have clear skies. A low pressure system will bring heavy rains to parts of Western Europe.

Middle East

Latin America

	Today		Tomorrow			Today		Tomorrow	
	H	L	H	L		H	L	H	L
Bahamas	27.80	22.71	27.84	22.71	Buenos Aires	17.88	8.46	20.68	11.61
Bahia	27.80	19.88	27.81	20.68	Buenos Aires	21.70	11.61	20.68	11.61
Dominican	27.80	14.87	27.84	14.87	Lima	21.70	11.61	21.70	11.61
Jamaica	27.80	17.62	27.84	17.62	Mexico City	23.72	12.62	23.72	12.62
Porto Rico	27.80	18.64	27.80	18.64	Perth	21.70	11.61	21.70	11.61
Puerto Rico	24.71	21.71	24.71	21.71	Santiago	21.70	11.61	21.70	11.61

Legend: H=Heavy, P=partly cloudy, C=clear, S=sunny, I=intermittent, L=light, S=strong, W=weak.

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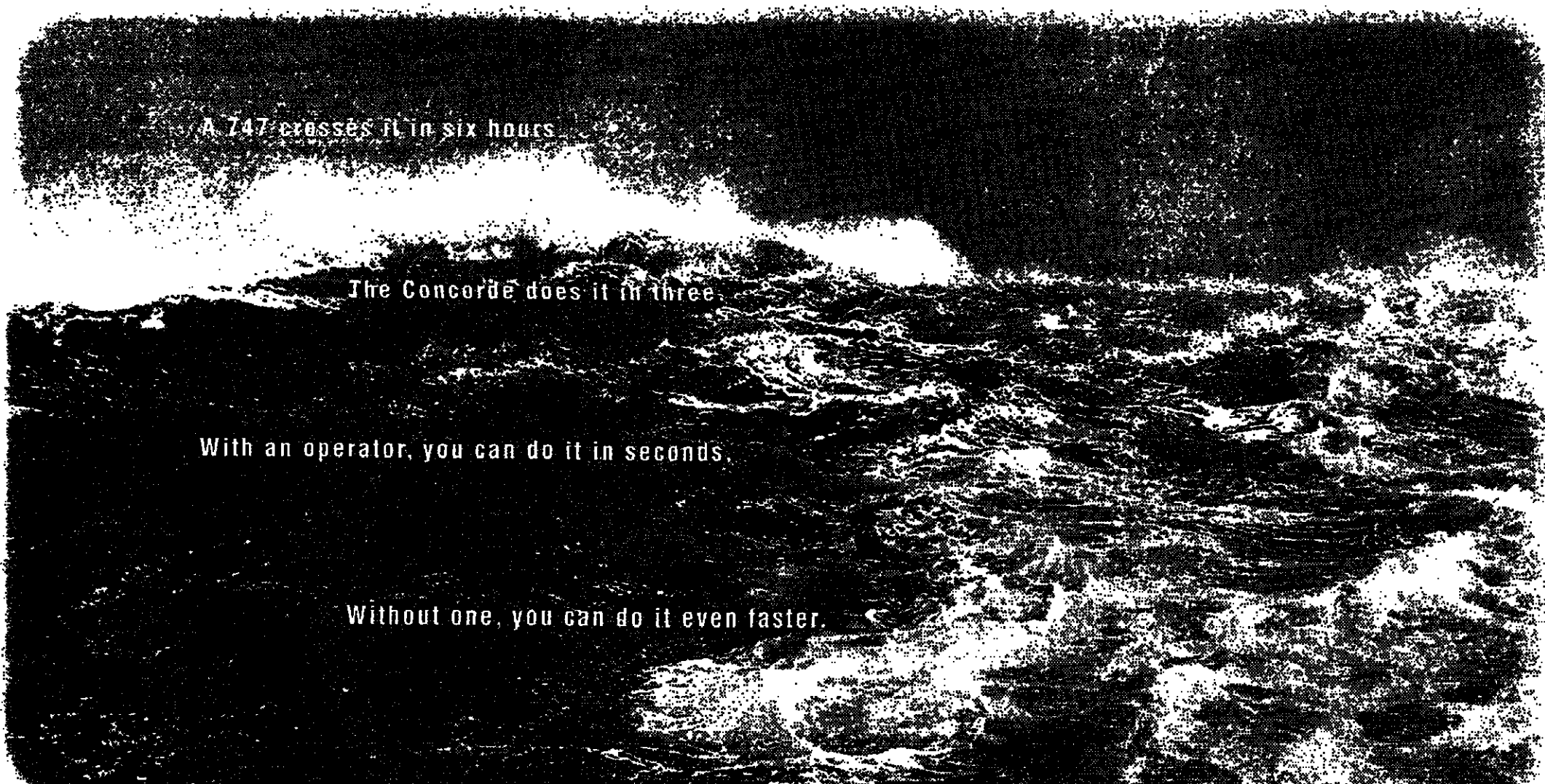
Asia	Today		Tomorrow	
	H	W	H	W
Bangkok	29/84	23/73	31/84	23/73
Beijing	17/82	16/67	18/86	6/65
Hong Kong	29/84	23/73	31/82	20/68
Kuala Lumpur	29/84	23/73	31/84	23/73
Manila	29/84	23/73	31/84	23/73
New Delhi	26/87	15/62	26/87	17/62
Seoul	27/87	11/52	31/86	0/50
Singapore	29/84	23/73	31/84	23/73
Taipei	29/84	23/73	31/84	23/73
Tokyo	29/86	17/62	32/81	16/61
Africa				
Algiers	22/71	17/62	23/73	19/66
Cairo	23/75	8/46	23/75	12/53
Cape Town	23/75	8/46	23/75	12/53
Johannesburg	23/75	8/46	23/75	12/53
Harare	20/82	8/46	23/73	9/44
Lima	28/82	24/75	29/84	24/75
Nairobi	23/75	8/46	23/75	12/53
Tunis	22/71	14/57	24/75	17/62
North America				
Anchorage	1/74	-7/49	5/81	-3/67
Atlanta	29/87	14/57	31/87	13/65
Boston	16/61	9/48	17/62	10/60
Denver	18/66	6/48	17/62	2/64
Dallas	22/71	4/39	24/75	2/35
Detroit	16/61	9/48	17/62	10/60
Honolulu	29/84	23/73	31/86	23/73
Houston	29/84	23/73	31/86	23/73
Los Angeles	29/84	23/73	31/86	23/73
Miami	29/86	31/70	29/84	22/67
Minneapolis	29/84	23/73	31/86	23/73
Montreal	14/57	4/39	14/57	4/39
New York	31/88	22/71	32/88	23/73
Oakland	29/87	14/57	31/87	14/57
Phoenix	18/61	9/48	22/88	18/64
Portland	29/87	14/57	31/87	14/57
Seattle	14/57	8/44	14/57	8/44
Toronto	14/51	6/43	15/58	5/41
Washington	29/88	16/67	31/70	11/52

REMATCH — Roseanne has met her match, again. Although she is not yet divorced from Tom Arnold, the television star has announced her engagement to her bodyguard, Ben Thomas.

Director Roman Polanski has a film debuting in the United States at Christmas, and he's looking for a way around a pesky

Oliver North's former secretary, Fawn Hall, who came into the spotlight when she testified that she had helped him shred documents in the Iran-contra affair, is being treated for cocaine addiction in Florida, according to People magazine.

Workers are repairing Harry Houdini's grave site in New York — which was vandalized five months ago — thanks to a \$10,000 donation from the illusionist David Copperfield. The repairs are expected to be completed by Halloween, the 68th anniversary of Houdini's death.



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JAPAN*	0039-11	TAIWAN**	0008-10228-0	FINLAND*	0000-100-10	LUXEMBOURG	0-030-111	SWEDEN*	020-705-011	LEBANON (BEIRUT)	020-801	COLOMBIA	000-11-0010	GAMBIA*	00-111		
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MALAYSIA*	000-011	ARMENIA**	03-14111	GREECE*	00-000-1911	MALTA	000-00-111	U.K.	000-00-0011	ARAB EMIRATES	000-1277	MEXICO**	55-800-000-000	SOUTH AFRICA	0-800-000-000		

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